

Weekly Compilation of
**Presidential
Documents**



Monday, July 5, 1993
Volume 29—Number 26
Pages 1179–1227

Contents

Addresses to the Nation

Strike on Iraqi intelligence headquarters—
1180

Addresses and Remarks

Defense conversion plan, announcement—
1219
Democratic National Committee, Presidential
gala—1184
Forest conservation plan, announcement—
1210
National Drug Control Policy Office Director,
swearing-in ceremony—1213
National Federation of Independent
Business—1186
Radio address—1179

Appointments and Nominations

Commerce Department, General Counsel—
1210
Corporation for Public Broadcasting,
member—1184
Defense Department
Comptroller—1209
Deputy Assistant Secretary—1209
Federal Communications Commission,
Chairman—1205
Housing and Urban Development, Assistant
Secretary—1210
Labor Department, Occupational Safety and
Health Administrator—1218
National Labor Relations Board, member—
1184
Navy Department, Assistant Secretaries—1218

Appointments and Nominations—Continued

Peace Corps
Director—1218
General Counsel—1218
State Department, Ambassadors—1210
U.S. International Development Cooperation
Agency, Agency for International
Development
Associate Administrator—1210
Deputy Administrator—1218
Veterans Affairs Department, Assistant
Secretary—1210

Communications to Congress

Aeronautics and space activities report,
message transmitting—1208
Convention on marking of explosives for
detection, message transmitting—1203
Further sanctions against Haiti, message—
1207
Proclamation on the trade agreement with
Romania, letter transmitting—1224
Somalia, letter—1216
Strike on Iraqi intelligence headquarters,
letter—1183

Communications to Federal Agencies

Delegation of authority on trade with Japan,
memorandum—1202
Trade with Romania, memorandum—1225

Executive Orders

Blocking Government of Haiti Property and
Prohibiting Transactions With Haiti—1206
President's Council on Sustainable
Development—1201

(Continued on the inside of the back cover.)

WEEKLY COMPILATION OF

PRESIDENTIAL DOCUMENTS

Published every Monday by the Office of the Federal Register, National Archives and Records Administration, Washington, DC 20408, the *Weekly Compilation of Presidential Documents* contains statements, messages, and other Presidential materials released by the White House during the preceding week.

The *Weekly Compilation of Presidential Documents* is published pursuant to the authority contained in the Federal Register Act (49 Stat. 500, as amended; 44 U.S.C. Ch. 15), under

regulations prescribed by the Administrative Committee of the Federal Register, approved by the President (37 FR 23607; 1 CFR Part 10).

Distribution is made only by the Superintendent of Documents, Government Printing Office, Washington, DC 20402. The *Weekly Compilation of Presidential Documents* will be furnished by mail to domestic subscribers for \$80.00 per year (\$137.00 for mailing first class) and to foreign subscribers for \$93.75 per year, payable to the Superintendent of Documents, Government Printing Office, Washington, DC 20402. The charge for a single copy is \$3.00 (\$3.75 for foreign mailing).

There are no restrictions on the republication of material appearing in the *Weekly Compilation of Presidential Documents*.

Contents—Continued

Interviews With the News Media

- Exchanges with reporters
 - Briefing Room—1219
 - Cabinet Room—1182, 1205
 - Oval Office—1196, 1212, 1214
- News conference with President Menem of Argentina, June 29 (No. 18)—1197

Letters and Messages

- See also* Communications to Congress;
Communications to Federal Agencies
- Independence Day—1203
- Television program violence warnings—1209

Meetings With Foreign Leaders

- Argentina, President Menem—1196, 1197

Proclamations

- Agreement on Trade Relations Between the United States of America and Romania—1223

Proclamations—Continued

- National Youth Sports Program Day—1215

Statements by the President

- See also* Appointments and Nominations
- Flooding in the Midwest—1204
- Reduction of interest rates in Germany—1217

Statements Other Than Presidential

- Haiti reconstruction and reconciliation fund—1219
- President's telephone conversation with President Yeltsin of Russia—1184

Supplementary Materials

- Acts approved by the President—1227
- Checklist of White House press releases—1226
- Digest of other White House announcements—1225
- Nominations submitted to the Senate—1225

Week Ending Friday, July 2, 1993

The President's Radio Address

June 26, 1993

Good morning. I want to talk to you about the battle that I've been waging to fulfill the central commitment of my campaign for President: to make the economy grow, create jobs, and make our Government in Washington work again for all the American people.

But first, let me take just a moment to congratulate the FBI, the New York Police Department, and the United States attorney in New York for breaking up the terrorist ring. The American people need to be reassured by the effectiveness and the determination of our Federal authorities at the national and at the local level to combat terrorism. And the people who would engage in these kinds of acts in this country need to know that we're going to be tough on anyone, anywhere in the world, who threatens or carries out terrorist actions against any American citizen.

Back to the economy. For years, your Government in Washington refused to make the hard decisions necessary for America to compete and win in a global economy. Very often, political leaders told you exactly what you wanted to hear, but they didn't hear your real problems or honor your values. For more than a decade, the National Government borrowed and spent, raised taxes on the middle class, reduced the burden on the privileged, ran up the huge national debt we now have, and discouraged the creation of jobs by reducing our investment. Meanwhile, we ignored problems like health care and the cost and availability of that service and many others.

Now, if we want to preserve the American dream, opportunity for those who work hard and play by the rules, we have to change. And change is hard. For the last 5 months, I've been fighting for a plan to create economic growth, one that reduces the deficit and brings down interest rates and increases

investment in education, technology, and jobs. It requires deep spending cuts and some tax increases, asking by far the most from those who have the most to pay.

Congress is rising to the occasion. Last month the House voted for a new direction, and just this week the Senate acted courageously in doing the same. In the next few weeks, representatives from both the House and the Senate will be meeting to reconcile the differences between the two bills. The negotiations will be difficult, but I'm going to work hard to keep the essential characteristics of the economic plan that I believe so deeply in: at least \$500 billion of deficit reduction in a trust fund so that the cuts and the taxes can't go to anything else, cuts at least as big as tax increases, if not larger; over three-quarters of the tax increases coming from the top 6 percent of income earners; and real incentives to create new jobs and to encourage the working poor, to move people from welfare to work. We're finally getting our house in order, delivering the changes that America needs.

This program, as I said, reduces the deficit by \$500 billion, and you should know again that there are \$250 billion of spending cuts in the program, over 100 cuts of over \$100 million or more. The revenues that are raised are raised from those who can most afford to pay. This program protects the middle class, something that would not have happened in the 1980's when Washington reduced taxes on the wealthiest Americans and raised them on the middle class. For every \$10 in deficit reduction in my plan, \$5 comes from spending cuts, \$5 comes from new revenues. Of those revenues, \$3.75 comes from the wealthiest 6 percent of Americans, almost 80 percent from people with incomes above \$200,000 in the Senate plan; and \$1.25 comes from the middle class.

All this money is locked up now in a deficit reduction trust fund, which protects the money for the next 5 years for bringing down

our deficit. The plan is bold and fair; it'll work. It's a sharp departure from the tax-and-spend policies of the seventies and the trickle-down economics of the eighties. It reduces the deficit; it invests and grows the economy. It's a new direction.

Still, there are some in Washington who use the same old tired rhetoric they used in the eighties to attack this kind of direction, while they followed borrow-and-spend, trickle-down policies. Last week, the only other plan offered to the American people was offered by my Senate opponents. Well, the plan fell more than \$100 billion short of the \$500 billion deficit reduction bill. And most regrettably, it asks even more of the middle class, of veterans, and millions of elderly people just above the poverty line. It asks those people to do with less in terms of benefits, especially in health care, so that the top one percent of the American people whose incomes went up and whose taxes went down in the eighties could go scot-free in the battle to reduce the deficit, bring down interest rates, and get investment back in the American economy. The plan was defeated and for good reason. Instead of protecting one group at the expense of others, it's time that everyone made a contribution to help everyone by reducing spending fairly and by investing in the future wisely and by growing the economy.

When the Senate and the House meet to write the final plan, we're all going to work together to set a new course for economic growth. When Congress finalizes the details, I'm going to work as hard as I can to insist that the principles I have talked about repeatedly for 5 months, and indeed during all of 1992 as well, will be followed in shaping this law. We need \$500 billion in deficit reduction, in spending cuts, and in taxes which fall almost completely on the wealthiest Americans. We absolutely must put all the net savings from cuts and taxes in a deficit trust fund so the Government can't touch it over the next 5 years. We ought to keep the incentives in my plan for business growth, especially small businesses which create most of the new jobs in America. And finally, we ought to keep our commitment to the 18 percent of the American people who work but

are still below the poverty line. Under our plan, if you work full-time and you're still below the poverty line, we will lift you out of poverty by not taxing you and keeping you in poverty.

People who have the courage to change should be rewarded. I know the economy is still struggling, and most Americans are still working too hard for too little. But at least there are some very important economic trends that have begun to move in the right direction. The best news is, new jobs are finally coming back into the American economy. In the last 5 months, as interest rates have dropped to 20-year lows in response to our efforts to bring the deficit down, more than 755,000 new jobs, 90 percent of them in the private sector, have been created. In the first 4 months of this year, more jobs in the construction industry were created than in any similar period in the last 9 years.

These are good and hopeful trends. Our plan builds on this progress. I know we've got a long way to go. But as always, if we'll just act in a way that's consistent with our values and if we'll all pull together, we can move our country in the right direction, meet the challenges of the global economy, and create jobs and opportunity for all Americans again.

Thanks for listening.

NOTE: This address was recorded at 3:50 p.m. on June 25 in the Roosevelt Room at the White House for broadcast at 10:06 a.m. on June 26.

Address to the Nation on the Strike on Iraqi Intelligence Headquarters *June 26, 1993*

My fellow Americans, this evening I want to speak with you about an attack by the Government of Iraq against the United States and the actions we have just taken to respond.

This past April, the Kuwaiti Government uncovered what they suspected was a car bombing plot to assassinate former President George Bush while he was visiting Kuwait City. The Kuwaiti authorities arrested 16 sus-

pects, including 2 Iraqi nationals. Following those arrests, I ordered our own intelligence and law enforcement agencies to conduct a thorough and independent investigation. Over the past several weeks, officials from those agencies reviewed a range of intelligence information, traveled to Kuwait and elsewhere, extensively interviewed the suspects, and thoroughly examined the forensic evidence.

This Thursday, Attorney General Reno and Director of Central Intelligence Woolsey gave me their findings. Based on their investigation there is compelling evidence that there was, in fact, a plot to assassinate former President Bush and that this plot, which included the use of a powerful bomb made in Iraq, was directed and pursued by the Iraqi intelligence service.

We should not be surprised by such deeds, coming as they do from a regime like Saddam Hussein's, which is ruled by atrocity, slaughtered its own people, invaded two neighbors, attacked others, and engaged in chemical and environmental warfare. Saddam has repeatedly violated the will and conscience of the international community. But this attempt at revenge by a tyrant against the leader of the world coalition that defeated him in war is particularly loathsome and cowardly. We thank God it was unsuccessful. The authorities who foiled it have the appreciation of all Americans.

It is clear that this was no impulsive or random act. It was an elaborate plan devised by the Iraqi Government and directed against a former President of the United States because of actions he took as President. As such, the Iraqi attack against President Bush was an attack against our country and against all Americans. We could not and have not let such action against our Nation go unanswered.

From the first days of our Revolution, America's security has depended on the clarity of this message: Don't tread on us. A firm and commensurate response was essential to protect our sovereignty, to send a message to those who engage in state-sponsored terrorism, to deter further violence against our people, and to affirm the expectation of civilized behavior among nations.

Therefore, on Friday I ordered our forces to launch a cruise missile attack on the Iraqi intelligence service's principal command-and-control facility in Baghdad. Those missiles were launched this afternoon at 4:22 eastern daylight time. They landed approximately an hour ago. I have discussed this action with the congressional leadership and with our allies and friends in the region. And I have called for an emergency meeting of the United Nations Security Council to expose Iraq's crime.

These actions were directed against the Iraqi Government, which was responsible for the assassination plot. Saddam Hussein has demonstrated repeatedly that he will resort to terrorism or aggression if left unchecked. Our intent was to target Iraq's capacity to support violence against the United States and other nations and to deter Saddam Hussein from supporting such outlaw behavior in the future. Therefore, we directed our action against the facility associated with Iraq's support of terrorism, while making every effort to minimize the loss of innocent life.

There should be no mistake about the message we intend these actions to convey to Saddam Hussein, to the rest of the Iraqi leadership, and to any nation, group, or person who would harm our leaders or our citizens. We will combat terrorism. We will deter aggression. We will protect our people.

The world has repeatedly made clear what Iraq must do to return to the community of nations. And Iraq has repeatedly refused. If Saddam and his regime contemplate further illegal provocative actions, they can be certain of our response.

Let me say to the men and women in our Armed Forces and in our intelligence and law enforcement agencies who carried out the investigation and our military response: You have my gratitude and the gratitude of all Americans. You have performed a difficult mission with courage and professionalism.

Finally, I want to say this to all the American people: While the cold war has ended, the world is not free of danger. And I am determined to take the steps necessary to keep our Nation secure. We will keep our forces ready to fight. We will work to head off emerging threats, and we will take action

when action is required. That is precisely what we have done today.

Thank you, and God bless America.

NOTE: The President spoke at 7:40 p.m. from the Oval Office at the White House.

Remarks and an Exchange With Reporters Prior to a Cabinet Meeting

June 28, 1993

The President. First, I want to say that this morning I received a report from the National Security Adviser about the action in Iraq over the weekend, confirming that we did in fact cripple the Iraqi intelligence capacity, which was the intent of the action. Our allies have been quite positive in their response. And I want to say a special word of compliment to Ambassador Albright for the work she did at the United Nations yesterday. I thought it was an excellent job.

I think it's very important today at this Cabinet meeting that we move on to other matters, that we go back to the domestic agenda. We have to prepare for the conference on the budget and the economic plan. We need to think about and talk a little about the upcoming G-7 summit in Tokyo and what that means for our economic prospects here at home. And there are a number of other issues that I want to discuss today, including our efforts to seek rapid passage of the national service act.

So I'm anxious to go forward. I do want to acknowledge, the first time as a confirmed member of this Cabinet, Lee Brown. He was here last time, but he's been confirmed since he was here before. Tom Glynn, the Deputy Secretary of Labor, is here, for those of you who don't know him, because Mr. Reich is moving his family to Washington today. I suppose that means he's going to stay on for a while. *[Laughter]*

Strike on Iraqi Intelligence Headquarters

Q. Mr. President, what kind of message were you sending, first of all, to other terrorist nations, given what we now know about the possibility of Iran and potentially Sad-

dam? And what message do you think this sends also to other countries and to the military here about your resolve in your capacity as Commander in Chief?

The President. Well, the action I took I thought was clearly warranted by the facts. And I think other terrorists around the world need to know that the United States will do what we can to combat terrorism, as I said in my statement on Saturday evening. It is plainly what we ought to be doing.

Q. —the events last week in New York and the attack over the weekend in Baghdad, should the American people be concerned about terrorism on American shores in the next few weeks?

The President. I think the American people should be reassured that the—in the New York instance, that the Federal authorities and the New York Police Department did a good job. I think the American people know enough about terrorism to know that it is always a potential problem, but we are going to be very aggressive in dealing with it, and we're going to do everything we possibly can to deal with it.

Q. Mr. President, how does the decision to have gone ahead and bombed Baghdad on Saturday, how will this impact your Presidency both in terms of how you're seen domestically and by foreign leaders?

The President. I have no idea. I did my job. It was my job, and I did it the best I could.

Q. Don't you think it will have some political effects—

Q. Any political considerations, Mr. President, at all?

The President. I have no idea. It's my job. I did exactly what I said I'd do in the campaign when confronted by circumstances like this. The evidence was clear. And we took the appropriate action. And it was the right thing to do for the United States, and I feel quite comfortable with it.

NOTE: The President spoke at 10:16 a.m. in the Cabinet Room at the White House.

**Letter to Congressional Leaders on
the Strike on Iraqi Intelligence
Headquarters**

June 28, 1993

Dear Mr. Speaker: (Dear Mr. President:)

Commencing at approximately 4:22 p.m. (EST) on June 26, 1993, at my direction, U.S. naval forces launched a Tomahawk cruise missile strike on the Iraqi Intelligence Service's (IIS) principal command and control complex in Baghdad. This facility is the headquarters for the IIS, which planned the failed attempt to assassinate former President Bush during his visit to Kuwait in April of this year. This U.S. military action was completed upon impact of the missiles on target at approximately 6 p.m. (EST).

Operating under the United States Central Command, two U.S. Navy surface ships launched a total of 23 precision-guided Tomahawk missiles in this coordinated strike upon the key facilities in the IIS compound. The USS PETERSON (DD 969) launched 14 missiles from its position in the Red Sea, while the USS CHANCELLORSVILLE (CG 62) in the Arabian Gulf launched nine missiles. The timing of this operation, with missiles striking at approximately 2:00 a.m. local Iraqi time, was chosen carefully so as to minimize risks to innocent civilians. Initial reports indicate that heavy damage was inflicted on the complex. Regrettably, there were some collateral civilian casualties.

I ordered this military response only after I considered the results of a thorough and independent investigation by U.S. intelligence and law enforcement agencies. The reports by Attorney General Reno and Director of Central Intelligence Woolsey provided compelling evidence that the operation that threatened the life of President Bush in Kuwait City in April was directed and pursued by the Iraqi Intelligence Service and that the Government of Iraq bore direct responsibility for this effort.

The Government of Iraq acted unlawfully in attempting to carry out Saddam Hussein's threats against former President Bush because of actions he took as President. The evidence of the Government of Iraq's violence and terrorism demonstrates that Iraq

poses a continuing threat to United States nationals and shows utter disregard for the will of the international community as expressed in Security Council Resolutions and the United Nations Charter. Based on the Government of Iraq's pattern of disregard for international law, I concluded that there was no reasonable prospect that new diplomatic initiatives or economic measures could influence the current Government of Iraq to cease planning future attacks against the United States.

Consequently, in the exercise of our inherent right of self-defense as recognized in Article 51 of the United Nations Charter and pursuant to my constitutional authority with respect to the conduct of foreign relations and as Commander in Chief, I ordered a military strike that directly targeted a facility Iraqi intelligence implicated in the plot against the former Chief Executive. In accordance with Article 51 of the United Nations Charter, this action was reported immediately to the Security Council on June 26. On June 27, Ambassador Albright provided evidence of Iraq's assassination attempts to the United Nations Security Council, which had been convened in emergency session at our request.

I am certain that you share my sincere hope that the limited and proportionate action taken by the United States Government will frustrate and help deter and preempt future unlawful actions on the part of the Government of Iraq. Nonetheless, in the event that Iraqi violence, aggression, or state-sponsored terrorism against the United States continues, I will direct such additional measures in our exercise of the right of self-defense as may be necessary and appropriate to protect United States citizens.

I remain committed to ensuring that the Congress is kept fully informed regarding significant employments of the U.S. Armed Forces. Accordingly, I am providing this report on the U.S. military actions of June 26, consistent with the War Powers Resolution. I appreciate your thoughts and continued support as we address these important concerns.

Sincerely,

William J. Clinton

NOTE: Identical letters were sent to Thomas S. Foley, Speaker of the House of Representatives, and Robert C. Byrd, President pro tempore of the Senate.

Statement by the Press Secretary on the President's Telephone Conversation With President Boris Yeltsin of Russia

June 28, 1993

Beginning at about 1:15 p.m. this afternoon, President Clinton spoke with Russian President Boris Yeltsin for 30 minutes. The two leaders exchanged views on issues to be discussed at the G-7 summit in Tokyo. President Clinton described G-7 efforts to develop a program to support the process of democratic reform and development of free markets in Russia and said the U.S. expects the G-7 to move forward with a solid package of assistance.

President Clinton also reviewed progress made in implementing the U.S. bilateral assistance package he announced in Vancouver, noting that the U.S. had already obligated more than half of the \$1.6 billion. President Clinton said that the separate and additional \$1.8 billion assistance package for Russia has been approved by the House of Representatives and was under consideration by the Senate. He reiterated to President Yeltsin his full support for this effort.

Nomination for a Member of the National Labor Relations Board

June 28, 1993

The President announced today that he intends to nominate law professor and arbitrator William Gould to the National Labor Relations Board.

"William Gould has a tremendous amount of both practical and scholarly experience in labor law," said the President, "and stands for the principles I want the NLRB to uphold: the rights of all workers to participate in labor organizations and the need for labor and management to work together to increase our Nation's competitiveness in a global marketplace. I think that he will be

an excellent addition to the Labor Relations Board."

NOTE: A biography of the nominee was made available by the Office of the Press Secretary.

Nomination for a Member of the Corporation for Public Broadcasting

June 28, 1993

The President announced his intention today to nominate University of Arkansas political scientist Diane Blair to be a member of the Corporation for Public Broadcasting.

"Diane Blair is one of the most capable and committed people I know," said the President. "She is one of the most respected people in our State and a dear friend of mine and of Hillary's. I think that she will do an excellent job of maintaining the Corporation for Public Broadcasting's outstanding record."

NOTE: A biography of the nominee was made available by the Office of the Press Secretary.

Remarks at the Democratic National Committee Presidential Gala

June 28, 1993

Thank you very much. Thank you so much. First, let me say a special word of thanks to Scott Pastrick for this wonderful dinner and all those who worked on it, to Roy Furman for agreeing to take on this enormous responsibility in the Democratic Party. I don't think the first time he came to my attention or, rather, I came to his—he hosted me in his office—if he had known then that he'd wind up on this stage tonight, I'm not sure he would have done it. And I thank him. Like so many others, he came into the leadership of this party because of the campaign of 1992.

I thank my dear friend David Wilhelm for his leadership and all of those who work in the vineyards of the Democratic Party. I

thank David especially for what he said tonight. Many of the beneficiaries of the efforts we make today are people who may not even understand entirely what we're doing, and they don't have an organized force in the Congress.

I thank the leadership of Congress. Let me say without hesitation that I have literally been awestruck at the demonstration of courage repeatedly by the leadership and by many of the freshmen and by many in between in our party in the United States Congress. And you ought to give them a hand tonight. *[Applause]*

You heard that the Vice President, of course, broke the tie the other night in the Senate on the economic program. What you ought to know is that I was furiously working the phones, and a couple of Senators—Senator Murray from Washington was not well, and so we thought we had enough votes to pass the bill, and so she stayed home in bed. And two of the people we thought would vote for it said, "Well, I won't let it die, Mr. President, but if the Vice President can break a tie, that's okay with me." So, we were there at the end. And right before the vote came down to the end with the time running off, the Vice President sent a note to Senator Mitchell, our Democratic leader, and he said, "George, I'm wavering." *[Laughter]* But conviction overcame him at the end, and so here we are tonight with a big crowd instead of an empty house.

Let me say to all of you that a lot of speeches have already been made tonight, and the entertainment was marvelous: Little Texas and Whitney Houston and my good friend Kenny G, who let me play with him in the campaign. That was the biggest thrill I got in the whole election. I tell you, I always liked Kenny G because I was running third in the polls when he agreed to play with me in the campaign.

This has been a great night for us and a great night for our party. But I want to remind you that we are engaged on a great struggle to change this country. A year and 8 months ago I entered the race for President when no one thought the incumbent could be defeated and few thought I could be nominated. And I didn't have any idea how it would come out. I just knew that I had a

couple of simple convictions. I felt very strongly then that we were not doing what it takes to compete and win in a global economy. I felt very strongly then that we were not facing up to the honest problems we have at home. I felt very strongly that too many people in public life were telling people what they wanted to hear today instead of thinking about how we ought to live tomorrow.

Those things drove me into the race, and they produced in the end, thanks to all of you, a remarkable change in the course of American life. But the details are always more difficult than the rhetoric. Governor Cuomo used to say frequently that we campaign in poetry, but we must govern in prose. And as my daughter likes to remind me of that great slogan the kids are all saying today, denial is not just a river in Egypt. So, when you move from rhetoric to reality, sometimes the going gets tough. I couldn't believe it, we have been ranted and raved against, this administration, as you know; it's all "tax and spend." But we've cut more spending than any administration in history and more than the ones before us. And that's a fact.

And they say, "Well, only the Democrats are voting for this program." But let me tell you, look at the alternatives. In the House of Representatives there was a Republican alternative with no taxes which slashed the middle class, slashed the working poor, slashed the elderly just above the poverty line, and more Republicans voted against it than Democrats voted against our program. In the Senate there was a Republican program, 4 months late, which took \$100 billion less off the deficit and was tougher on the middle class and the poor. And in the finance committee, the other party that goes around saying, "It's spending, stupid," you know that great slogan of theirs, guess how many spending cut amendments were offered by the Republicans in the Senate Finance Committee? Zero. Not one.

I say that because it is up to every one of you to go home and tell the people of this country the truth. This is not going to be easy, but it is working. You heard the Vice President; you heard David Wilhelm talk tonight. If anybody had told you on election night in November that by the middle of June unemployment would be below 7 per-

cent, we'd have 755,000 new jobs, a 20-year low in mortgage rates, a 6-year high in housing sales, a 9-year high in construction employment, the family leave bill, the motor voter bill, the Biodiversity Treaty, a new policy on choice, the most diverse administration in history, an appointment schedule—contrary to what you may have heard—ahead of the last two administrations, you would have felt pretty good about that on election night. And you ought to feel pretty good about it tonight, because this country is on the move.

But never forget this. That sounds good, and compared to the last two administrations it may be, but we've just been here 5 months, and the changes we are trying to make are not in place. We still have to do the economic program and health care and national service and welfare reform. We still have to pass a program that says to people who work 40 hours a week and have children in their homes, you're not in poverty anymore. We still have a lot of work to do. And the things we're doing have still not affected most Americans. We still don't have a serious program for defense conversion, but we're working on that. We've got an airline industry in trouble we're trying to help resuscitate and move forward. We've got all kinds of jobs in this country we have still got to create. We have problems in this country that Government has overlooked for so long, we pretend they're not even there. People say to me, "I am so glad that the Federal Government could help to break up the terrorist ring in New York," or that once again we stood up for our values last weekend. But never forget, in this the Capital City of this country 24 people were killed last week. We have got a lot of work to do, my fellow Americans.

And I'll tell you something. It may not always be easy, and sometimes it may be ragged, but you've got an administration in this town that gets up and goes to work every day and thinks about the problems and the promise of the average people of this country. And we will continue to do it as long as you keep us here.

Thank you, and God bless you all. Thank you.

NOTE: The President spoke at 11:15 p.m. at the Washington Convention Center. In his remarks, he referred to Scott Pastrick, Presidential gala dinner chairman; and Roy Furman, national finance chairman, and David Wilhelm, chairman, Democratic National Committee.

Remarks and a Question-and-Answer Session With the National Federation of Independent Business *June 29, 1993*

The President. Thank you. Thank you very much, and good morning. Please be seated. When Jack Faris came to see me the other day in the Oval Office, he invited me to come over here and speak. And he said the best time to come would be noon. But the President of Argentina will be in the White House at noon, and I couldn't figure out how to explain that to him, that we were going to miss lunch. So then I was invited to come at 9:15, which is okay for me most days. But I'm one of these people who gets up at 6 every morning, and then I wake up about 10:30. [*Laughter*] So if I say anything I shouldn't today, I'll have total deniability since it's 9:15.

I was eager to come by and address you this morning for several reasons: first of all, because your organization is one of this city's most aggressive participants in the economic debate now taking place here and around the country; and because when I was the Governor of my State, I worked very closely with the NFIB on a wide range of issues; and because I know that unless we are firmly and unequivocally committed to private sector job growth, and especially to small business growth, we cannot succeed as a country.

Let me say that when I got into the race for President about a year and 8 months ago, I did so after having worked for nearly a dozen years as a Governor of a State that until the last year I was Governor usually had an unemployment rate above the national average. I spent all my time trying to figure out how to create conditions in which jobs could grow, children could be educated, people could be trained, and folks could be empowered to do what they could do in a very

tough global marketplace. I worked year-in and year-out to try to establish partnerships with the private sector. Until I became President, except for one brief interlude when I took office and found an operating deficit as Governor, I had never proposed raising one red cent in taxes to pay down a debt, because my State had a very tough balanced budget law, perhaps the toughest in the country in its practical operation. This has been an interesting and a difficult experience for me in that regard.

But here's how I see the world: We have now been in a long-term economic slowdown of about 3 years in which our economy is not producing many jobs. We have been in a global economic fight which has caused us grave problems for 20 years. And literally for 20 years most middle class wage earners have worked longer work weeks, and their wages have not kept up with inflation. We have seen an enormous increase in this country, in the 1980's, in the cost of health care, housing, and education, which has far outstripped the earnings of most wage earners and small business people to cope with. And we now find ourselves in the midst of a global recession, as I prepare to go to Tokyo to meet with the leaders of the other G-7 nations—the European nations, Canada, and Japan—in which our economy, though it is weak by our standards, is now perhaps the best performing of all these countries.

During the 1980's, most of our job growth came from two sources. First of all, we had a huge operating deficit that was built into our system because we had a very large tax cut in 1981, twice the original size that President Reagan proposed, when the Congress and the President got into a bidding war, and very large increases in defense spending. So that the deficit, plus investments in defense, especially in defense contracts, as those of you who are from California or Connecticut or Massachusetts who saw it go up and then watched it come down, know that that created a lot of jobs.

The other thing that created a lot of jobs in the 1980's was you, the small business sector. Indeed, throughout the 1980's and every year, the Fortune 500 lowered employment in America, even as income went up, by a couple of hundred thousand people a year.

But small business people generated the vast mass of the jobs. In fact, a study by David Birch at the Massachusetts Institute of Technology indicated that about 85 percent of all new jobs were created in units of under 50, and most of those were created by people who themselves were small business persons.

Then about 3 years ago, that stopped. And we can all argue about why that is, but I think it's clear that there were a couple of reasons. First of all, small business people are not unaffected by slowdowns in the global economy, as well as the domestic economy. Secondly, the extra added cost of hiring one more employee became exponentially greater as health care costs, payroll costs, and other things mounted up, and more and more people, even in the small business sector, turned to overtime and part-time workers.

But the bottom line is we now find ourselves in a world in which there is a global recession, in which we have the lowest unemployment rate of any of our competing wealthy countries, except for Japan which has, as you know, a much different trading system and economic organization, and in which still our unemployment rate is way too high for us. And when we look to the future, it seems to me absolutely clear that we have to find ways to reinvigorate the job machine of America and to restore the health of small business.

The problem is that we have dug ourselves into a number of holes that we have to dig out of, none of which are easy. And all along the way, we have to know that we may not be able to get instant results because what happens in America today is at least to some extent affected by what happens in Europe, what happens in Japan, and what happens in other countries. I know, for example, you had the Trade Ambassador, Mickey Kantor, here yesterday talking about the trade agreement with Mexico. And there's a lot of debate in this country about that. Our administration believes it will create more jobs than it will cost. We feel very strongly about that. We're going to have a debate about it later in the year, but the point is at least it's the right debate. That's the right debate: Is it going to help the American economy? Is it going to create more jobs than it will cost?

Well, it is against that background, anyway, that I became the President: 3 years of slow economic growth, which doubtless contributed to a challenger beating an incumbent; and then a very large Federal debt, having gone from \$1 to \$4 trillion in 12 years; an annual deficit having gone from \$74 billion a year in 1980 to \$311 billion projected in 1993; and the deficit for the next 5 years was written up \$165 billion, estimated after the election.

And so I was confronted with a very significant problem, one which had very practical impacts on you in at least two ways. First of all, the bigger this debt and the deficit gets, the more of your tax money we have to spend every year paying interest on the debt and the less we have to invest in the future: to finance research and development, to finance new technologies, to finance education and training of the work force, to grow the economy. Second, and even more important for you, America had a historic gap between short-term interest rates and long-term interest rates because of the size of the deficit and because nothing was being done to bring it down. So you had very low short-term interest rates. As you know, they started coming down way over a year ago with the Federal Reserve lowering, lowering, lowering the rates they were charging. But our long-term interest rates, which determine home mortgages, business loan interest rates, consumer loan rates, car loan rates, college loan rates, they were quite high. And the gap between the short and long-term rates was very high.

It was obvious to me that unless we first did something to reassert control over our economic destiny, unless we did something about this deficit first, we would not be able to move forward. And so I proposed a plan to the United States Congress to bring the deficit down by \$500 billion over the next 5 years, in roughly equal amounts of budget cuts and tax increases with almost all the taxes, 74 percent of them, falling on the upper 6 percent of income earners, including subchapter S corporations, the upper 5 percent of those, and they were pretty stiff.

But the reason I did it was because it seems to me we had to try to lower the deficit about \$500 billion. We imposed what

amounted to a 5-year freeze on domestic discretionary spending. That is, we do increase funds for defense conversion to help those poor people that lost their jobs because of the defense cutbacks, for Head Start, for education and training, and for some technologies. But we cut other stuff even more, so there's a decline in defense, a freeze on domestic spending. The only thing that's going up is basically the retirement programs and the health care programs. I'll come back to that. I'll come back to that in a moment. So we had big cuts over the previous budget in everything, all the entitlements: veterans, agriculture, pay of Federal employees, retirement of Federal, civilian, and military employees. Things that had not been touched in previous budgets we went after, it cut them, locked that down, and then asked for what I thought was a progressive tax package.

But there were also some interesting growth features in the tax program that I proposed that the House of Representatives passed. One was one of your long-time goals, increasing the expensing provision from \$10,000 to \$25,000 a year. I think that's real important. If we do that, there are hundreds of thousands of businesses in this country that might be able to hire one more person, might be able to get their incomes up by buying another piece of equipment.

The second was something that larger businesses, by and large, wanted, and that was a change in the alternative minimum tax calculations designed entirely for one purpose: to encourage people to invest in more plant and equipment, to become more productive. The third was the small business capital gains tax, designed to encourage people to invest in ventures under \$50 million in capitalization and to get a 50 percent cut on the tax due if they held the investment for 5 years. This was designed to get a bunch of new venture capital and private capital into the real job generators of this economy.

The third was a permanent extension of the research and development tax credit. Next, there was changes in the passive loss provisions on real estate designed to get home building and real estate up again, particularly in those regions of the country where it has been so depressed that it's dragged everything else down.

Then we extended the deduction people can take for their health insurance premiums to self-employed people, as well as to other small businesses which already had it, which I thought was very important, a big deal for farmers.

And finally, there were other things, but finally there was a proposal which I think we ought to try to finally test whether the rhetoric that both Democrats and Republicans have been putting out in Washington for years, and in the streets of America, about using the private sector to revitalize the distressed areas of our country could really prove true. We devised an empowerment zone proposal which was an expansion of the enterprise zone proposal that for the last several years had been supported by everybody from Jack Kemp in the Republican Party to Charles Rangel in New York in the Democratic Party. This empowerment zone proposal went beyond anything previously proposed to give really powerful incentives for the private sector to hire people out of depressed cities and small towns in rural areas or to put businesses into those areas. And it seems to me that's very important.

If you look at all the millions of people that live outside the free market economy in America because they live in areas that are so depressed, there is a huge potential market there if the free market system can work. So, those things were also in the bill. In other words, we raised tax rates, but we tried to find ways for people who have been successful, who have money, to lower their taxes but only if they invested in things designed to grow the economy, create jobs, and expand opportunity for all Americans.

Now, when the Senate passed the bill last week there were a lot of things in the Senate bill that were good. They had some less tax and some more spending cuts so that, by any calculation, clearly now the spending cuts exceed the tax increases. But by taking most of the tax cut out of the energy tax and having to make it up to get \$500 billion in tax reductions, they reduced the size of the small business expensing from 25 to 20; they eliminated the new business or the small business capital gains tax; they put a surcharge on capital gains, which I think is not well-advised; and made the research and development tax

credit temporary. So, we are now trying to resolve the conflicts between those two bills. I know the NFIB will be actively involved in that, but I think it's very important that you understand basically what the tradeoff was made between the Senate and the House bills. The bottom line is both of them reduced the deficit by \$500 billion.

You had long-term rates going down again today to a 16-year low, and this has already produced some very significant consequences, if I just might mention a few. From the time Secretary of the Treasury, then designate, Lloyd Bentsen said we were going to have a serious deficit reduction plan and talked about what was going to be in it in November, we've seen long-term interest rates take a dramatic drop. While the economy itself is not recovered by any means, there have been some very significant advances tied directly to the drop in long-term interest rates. And if I might just mention a few, number one, we've had a 20-year low in home mortgages; a 6-year high in housing sales; a 9-year high in increase in construction employment, 130,000 new construction employees in America in a 4-month period; and there have been 755,000 jobs, over 90 percent of which are in the private sector, come into this economy in the last 5 months. That compares with only a net gain of a million over the previous 4 years, all tied to bringing down the long-term interest rates.

There are people in this room today who are responsible for that, directly or indirectly, people who have refinanced their home loans. Most of the real financial gains have come from people who have refinanced their home loans and then turned around and done something else with the money, and that's bumped the economy. But business loans are lower, consumer loans, car loans, college loans, the whole 9 yards. That is the strategy.

It is estimated that if we can pass this deficit reduction plan and keep the interest rates down for a year, that'll put another \$110 billion back into this economy. And by the end of the year or next year, that will really begin to produce some job growth, and we'll also begin to produce some real earnings potential.

So that is why we have done what we have done. And I'll say again, as somebody who was a Governor in a State with a very tough budgeting system, it was very painful for me to ask anybody to pay any money just to pay down the deficit. But unless we do something about this, we will never—it's like a bone in our throat as a nation—unless we deal with this, we can't get on to dealing with our other problems. We'll spend all our time in Washington working around the edges of these other problems because we have not faced the problem of the deficit.

Now, let me just make one or two other comments about that. No matter what plan you might embrace to reduce the deficit, and no matter what plan you've read or heard about, every one of them can have our annual deficit go down for 5 years, and then it starts to go up again. Why? Health care costs. We cut \$50 billion in the House version, \$60 billion in the Senate version off of projected Medicare expenses from the previous year's budget. And it is still estimated that over 5 years, the Medicare budget alone will go up 45 percent. Now, that's better than most of you are doing, right? Most of you are paying more than 9 percent a year in increased premiums. Most of you are paying almost twice that.

But I say that to try to illustrate the next point. There's been a lot of controversy about the willingness of this administration to try to take on this health issue and whether we're being too comprehensive and what we're going to do and all that. The point I want to make is this: We've got to do something to bring costs within inflation, or it's going to break the country. That's the first thing. You can talk to just about any conservative in Congress of either party, you can talk to the most conservative Republican in the Republican Party, and most of them will tell you now we are not spending enough money on some of the things that will generate jobs in the future. If we don't spend enough money to keep our technology lead over other countries in areas critical to the future, in super computing and electronics and aerospace and these other things, and if we don't really educate and train our people, then our incomes will fall behind. But if we are stran-

gled by rising health care costs, the future can have no lobby in the Congress.

So this budget plan that we presented is great on deficit reduction. It does invest some money in the future, but it doesn't invest anything like what you would want us to invest if we weren't strung up by our heels by the deficit. And there is no answer to it except to get health costs in line with inflation. There is no other answer, because that's the only thing that's eating us alive now through Medicare and Medicaid. It is the same with you.

Now, what we see is people have learned a lot about controlling health care costs, and a lot of big businesses that can self-insure now have their costs in line with inflation. The California public employees system, which is a huge system with bulk purchasing power, this year has a contract which is below inflation. That's great for them. But what does that mean? Even more pressure on you to pay for the uncompensated care bills of people who don't have health insurance if you do. Which means every year more and more small businesses are either dropping coverage—about 100,000 Americans a month lose their health insurance—or they have more limited coverage that may or may not be adequate for the people whom they insure.

So, what I want to say about that is this: It seems clear to me, if you study the Federal budget and you want the deficit down to zero and you want America to invest and grow again, if you look at the private budgets of businesses in this country, that we have to do something to give small businesses bulk purchasing power; relief from all these rules and regulations the Federal Government imposes; relief from the incredible paperwork imposed on health care providers by this country being the only country in the world having 1,500 different health insurance companies, thousands of different policies, a dime on the dollar more in paperwork costs than any other advanced country in the world, a dime on the dollar. And the more big businesses self-insure and control their own costs, the more you're paying the difference. So, we have got to do some things to simplify and make more uniform this system.

Now, the big controversy obviously is over whether there should be a mandate for employers, employees, one or both, to cover people who have no health insurance. Here is the problem, and I invite you to the debate, but here is the problem: Seventy percent of all small businesses have some health insurance. And they're paying out the ears for it. I have to be delicate in my language. [Laughter] Seventy percent do. Costs are going up like crazy. For the 30 percent who don't, those folks, if they get sick, will still get health care. Show up at the emergency room, and they will get it. Everybody gets it. But who paid for the emergency room to be there? The rest of you. You built the infrastructure. You financed. You maintain the infrastructure.

The Government should clearly insure the unemployed, uninsured. And my goal has been to do that by managing the system better so we don't have to raise taxes on you to do that, because people who are paying too much already shouldn't pay more to fix the system. But if you look at every system in the world, it is perfectly clear that unless you have some mechanism by which everybody is covered, you cannot control the costs, and you cannot stop the cost-shifting.

Now, nobody wants to do this in a way that kills the only job-generator we've had in America over the last 2 years, which is you. But it's very important to remember that most small businesses do provide health insurance. This is the nub of the economic dilemma. If it were easy, somebody would have done it already, right? I mean, if it were easy, it would already be done. It's not easy. There is no perfect solution. But I assure you that we're all going to be better off if we enter into an honest debate and try to work through this, and we try to resolve it. The worst thing we can do is to leave it alone, and especially, the worst thing we can do for the small business sector, because bigger employers will figure out how to get managed care, and they'll just go around this whole health insurance system we have today. Everybody else is going to be out there just strung up. So we must face it. And we've got to provide some means of covering people, letting them change jobs, and having people have this without going bankrupt.

And that is something that I am deeply dedicated to.

Let me mention one or two other issues that are very important, and then we'll move on to questions. I believe the SBA can be a force for good in small businesses. And I promised myself if I got elected President, when I started, I would appoint somebody to run the SBA who had literally had real experience and was not just a political appointee. Now I plead guilty. Erskine Bowles is a personal friend of mine. His wife went to college with my wife. That does not disqualify him. [Laughter] But his wife is a successful business person, and he has spent his lifetime trying to help people like you start your businesses, expand your business, market your business overseas. He actually knows what he's doing. So it seems to me that would be nice to have an SBA director who could do that, who had been through that.

The second thing that I really thought about a lot early in the election because of the experiences I had seen not only in my State but around the country, is that we had to do something to try to deal with the credit crunch. The access to credit is obviously going to have more to do with how a lot of your members do than a lot of other things this Government does. So, early in my administration we brought together all the appropriate banking regulatory agencies and, in what was then an act of unprecedented cooperation, we changed a lot of the restricted regulations that cause so much of the credit crunch. Banks are now clearly empowered to make more character loans based on the reputation of the borrower. Documentation requirements by the Federal Government have been relaxed dramatically, as have regulations regarding appraisals of real estate to secure small business loans. And there will be more flexibility in classifying loans.

Now, that has been done at our level. It takes more time than I wish it did for all those changes here to actually be felt in every community bank in America. And one of the things that the NFIB needs to do with Erskine Bowles is to let us know in which communities this is working and in which communities there has been no change, because we made a vigorous, clear effort to send this

signal out all across America by changing the way we did business with the banks. But it has not changed in every community in America, and a lot of people are still really stung by what happened to them in the eighties. But the banks are in much better shape today than they were 3 years ago. And that's good, that's a good omen for our future. But now that they're in better shape the time has come for them to loan money on good terms, at low interest rates. So we need your help on that.

Next I'd like to say a little something about regulatory reform. Every President talks about it, and almost nothing ever happens. There's a division in our Budget Office that a lot of you probably have never heard of in the Office of Management and Budget called OIRA—that would gag you—OIRA, the Office of Information and Regulatory Affairs. For years, the position of Administrator of this Office, believe it or not, was vacant. But this Office actually has the capacity to rationally review all of these regulations. We have named, and Congress has confirmed, an Administrator for OIRA, and we are going to do our best to see what we can do to reduce unnecessary regulations.

Perhaps more important, I have asked the Vice President as part of his job in reviewing the whole operations of the Federal Government—and by the way, I predict you will be very pleased by the report that is issued by his group in September—we are reviewing the operations of every last part of this Government. Unlike your business, unlike all big businesses, the way we do business in the Federal Government and many of these agencies has been largely unexamined for decades. So that when something new comes along that we have to do, it normally is just added on to what was being done already, instead of being substituted for it. And the whole quality revolution that has engulfed the American private sector and led to rapid increases in productivity has largely escaped Government. And we're trying to change that, too. It escapes nearly every organization that has a mandate for customers and income, so we're trying to change that. Our goal is pretty simple: We want to avoid regulations that are inconsistent with the goals of jobs and growth; we want to avoid regula-

tions that overlap; we want to create a process that is open and fair, where business has some input, and not just large businesses but also medium and small ones as well; and we want to change the whole way Washington works.

I think these are the kinds of things that you would want us to do, and these are certainly the things that we have to do. I don't plan or pretend that we're always going to agree on all these issues. And I wish that the world looked to me as President just the way it does to you or the way it even did to me as Governor. Like I said, it took a lot of mental gymnastics for me to finally face the hard reality that we had this huge deficit and unless we did something about it, we were never going to be able to do anything else. We'd spend all our time—I spent all my time giving speeches about things we were going to do, and no impact would be felt because we were out of control of our economic destiny. So I hope that you will be supportive, not supportive of me personally so much as supportive of our efforts, common efforts to deal with our common problems. The one thing I made up my mind to do when I won the election in November was at least try to level with the American people about the problems and try to face things that other people in public life had avoided. This is painful. You know, my daughter and the kids her age who get into all this interesting music has got this great phrase. She said, "Dad, denial is not just a river in Egypt." [Laughter] And sometimes I think that's probably a good phrase for us to remember in a lot of ways.

But my plain duty to you is at least to try to articulate what these issues are and face them. We tried it the other way. We tried ignoring the deficit. It didn't go away. We tried telling everybody what they wanted to hear, that it could all be done by some sleight of hand, and it didn't happen. And we tried a lot of things about health care in the Federal Government which, frankly, made your problems worse. I could control health care costs without doing anything on the health care system. And what would happen? All the providers, when we just cut Medicare and Medicaid more, all the providers will send you the bill. That's what happens today.

So, I ask you to think about this. Let us face our problems; let us talk about our problems. The first big urgent thing is to pass a deficit reduction plan that keeps as many of these growth incentives as we can possibly have. That was the good thing about the House bill. Then I look forward to engaging in the health debate. I look forward to engaging in the trade debate. I look forward to engaging in the job creation debate. But in the end just remember, every advanced country in the world is having a terrible time creating jobs. We are doing better than most of them because of you, because we have a vigorous small business sector. Unfortunately, a lot of the things that we want to do may help some people and impose burdens on others in the small business sector at the same time, though we know that these big issues will not go away. And we know now after 3 years of stagnation we have to change if we want to grow.

I believe if we do it together the next 20 years can still be the best years this country ever had. We are in a new and unprecedented era. This happens to us about once a generation, and when it happens we have to adjust as a people. That is what we are now trying to do. That's what makes being here so exciting. But I never forget that the thing that's important about it is that what happens here affects what you do there. And what you do there, wherever "there" is, in your hometown, is what really makes America work.

Thank you very much.

Moderator. Mr. President, again we very much appreciate you taking the time to be with us in your remarks today. One of the things the President has asked for and is willing to do is to take some questions from us. I will tell you from the years past, in other conferences with other Presidents who have spoken, this is the first President who has said, "I would like to have questions from the group." And because we have such a large group assembled, Mr. President, what we've done is, we've circulated cards for people to use to ask questions. We've accumulated these, gone through, and picked out the top questions. And we have time for just two or three if we could.

The President. Did you say the tough questions? [Laughter]

Moderator. The tough ones—the only kind we have.

The President. I have a feeling when this is over, I'm going to know why my predecessors didn't take questions. [Laughter] Go ahead.

Health Care Reform

Moderator. The first one is: I have a small business with two part-time employees. The business is out there for me to expand. However, mandated health care and the present uncertainty has caused me not to hire more people. What assurances can you give me and others in my position that will give me the confidence to hire more people and to create more jobs?

The President. First of all, I think you ought to wait and see what we come out with. I think that most people believe that this plan would be much tougher on small businesses than I believe it will be. But let me put it to you in another way. We have to decide what to do with part-time employees. And either employers will have to make some contribution to their health care. By the way, I think all employees should make some contribution to their health care, because if they don't, they may get to thinking it's free, and overutilization is one of the problems. I mean, everybody should pay something in accordance with their ability to pay. But I have to say this: I believe employers should make some contribution, because I will say again, those who don't pay at all are being supported, even when they don't use the hospital, even when they don't use the clinic, even when they don't use anything, they're being supported by those who do pay something, because they are keeping the infrastructure going. And everybody's bills will be lower over the long run if everyone makes a fair contribution. I think small businesses should really be limited in what they're required to pay by the Government. And also, anything that is done should be phased in so that as we go along the way, if there are mistakes or unanticipated consequences, they can be corrected. We should not wave a magic wand and say, okay, next year the system is going to look like this. We're going

to have to phase this thing in so we can all work together and see what the problems are.

But I have to say that I think in terms of job creation over the long run, you're going to have more people working over the long run if we don't have these costs being bounced around and thrown off from one group of employers onto another. The trick is going to be how to keep the questioner's costs low enough, and also what is the fair way to apportion the costs for the part-time workers.

Workers' Compensation

Moderator. Dear Mr. President, as a North Carolina strong Democrat and a strong supporter of the Clinton-Gore campaign, please share your views on reducing the cost of health care and workmen's compensation for my small business.

The President. Well, that's one thing I didn't say. The half of the—is that you? Good for you. This is just like a Baptist church. I figured we've got all the saints on the front row here. [*Laughter*] Let me say, first of all, one of the things that we are seeking to do in this health reform effort is to alleviate the inordinate burden of workers comp on employers by, and I don't want to get and sort of prefigure exactly what this is going to look like, but if you look at the workers comp system it is really three things: it's a health care system, it's a disability payment system, and it's an unemployment system, right? It was created at a time when we didn't have comprehensive systems to do all that. We now have health care systems, a disability program, an unemployment program, and we've got workers comp. And half the cost of workers comp is the health care.

So, what we're going to try to do is to fold the health care costs part of workers comp into this health care program which would dramatically cut the cost of workers comp. Like everything else, it's a little more complicated than it seems. Here is the dilemma. Here's the problem we don't want to do. Most people will tell you who have tried to cut down on abuse of workers comp, that having that health care part of the program out there is one thing that stops it from being abused, because you can prove that people are well; you can say, now you have to go

back to work, you have to go to therapy. So, if we merged the cost into a health care program, we don't want to do it in a way that in effect cuts the rest of it loose so people can allege disability in excess of what it is and the abuses that are plain in the present system will be worse instead of less. We have to do this in a way that will reduce the abuses in the present system. So that's the dilemma. It is obviously extremely costly administratively, has a lot of health overlap, to have these duplicated health systems for employees. It's not necessary, and we ought to abolish it, but we need to do it in a way that doesn't aggravate the disability problem of workers comp. So that's the issue there. I think we can do it.

National White House Conference on Small Business

Moderator. Thank you. The National White House Conference on Small Business was scheduled to take place in 1994. Does your administration have a date set for the conference, and will you allow us to assist with issues hitting small business the hardest?

The President. The answer to the second question is yes, we will allow you to assist. The answer to the first question is, do we have a date yet? That was not a yes or a no. He's become a politician. He's just been up here a couple of weeks, and he's already—[*laughter*—he said that the answer is, it'll be sometime between January and March of 1995. I'm really looking forward to it.

Meetings With Small Business Leaders

Moderator. We all are. And according to the time that I have, this is the last question. Rather than talk with the CEO's of the Fortune 500 about business matters, why not get a panel of small business members, 50 or less employees, say, 25 from each State, to inform you on a regular basis?

The President. Let me make a suggestion sort of to follow up on that without embracing that specific suggestion, although I think that's about as good as any I've heard. I will hereby, in front of you, deputize Mr. Bowles to work with you to come up with some formula for bringing in a representative group of small business leaders to see me on a regu-

lar basis and talk about this. Let me say we'll do that.

Moderator. Thank you.

The President. Let me make one other point about this. Let me say that I have started—and this question may have come from someone who'd seen the press on this. But I have started every week or 2 weeks for the last couple of months, through Alexis Herman, who is my special Assistant for Public Liaison—she works with groups throughout the country and also helped organize my coming here today—having lunch with business leaders from around the country. And we try always to have one smaller business person in with a lot of the big business leaders who come. We have manufacturers, people from finance. We always try to have at least one small business person at the table, or either that or someone who started a business from scratch that may not be so small anymore, but they started—just to try to have the mix. It's been an immensely valuable thing for me just to do this. And we just take an hour-and-a-half informal, off-the-record lunch. We talk about whatever they want to talk about and a couple of things that I'm working on. But it really helps to keep me connected to what's going on out there. It's pretty easy to get isolated, as I'm sure you know, in this town. And so I would embrace this. I'm glad you stood up when I said it, but it will do me more good than it will you. I'll get a lot out of it, and we'll follow up.

Government and the Private Sector

Moderator. Mr. President, your staff says that they will give us time for one more question.

The President. Good.

Moderator. Which we appreciate. Mr. President, thank you for speaking to us. I'm sure you agree that most of our social problems can be eased or solved by putting every capable American to work. What compromises in your social agenda are you willing to make to reduce the burden of Government?

The President. Well, the answer is I'm prepared to do nearly anything to put everybody to work. But let me say again the country with the lowest unemployment rate of all the wealthy countries in the world is Japan.

And it would be hard to make a serious case that they have a low unemployment rate because their Government's not involved in their economy. And basically what they have is high productivity for exports and labor-intensive, even not very productive protections for the domestic market, so they can keep unemployment low. It's an interesting system. I'm not suggesting we follow it; I don't think we should. The only point I'm trying to make is that a number of the business leaders who come to see me believe that one of the reasons that we have unemployment as high as it is, is that we had nothing to substitute for the big cutback in defense spending. For example, when Eisenhower was President, we built the interstate highway network. And then we had in the seventies, we had a huge investment in building new water and sewer systems, making environmental investments that had never been made before. And then in the eighties, we had a huge investment in defense industries of all kinds, not just people in the military but all the contractors.

So my feeling is, what we need to do is to get the Government out of those things where the private sector is doing well and doing better. And I think, as I said, I'm really eagerly awaiting the work the Vice President is doing. He's consulting experts from all over America on what we can do to increase the productivity of the Federal Government. I think the Government does a lot of things that hold back the job engine in the private sector. But there are also some things that Government does well that we're not doing now as much as so many of our competitors are. For example, if you wanted to have a more efficient high-speed rail network in this country, you'd have to have some sort of public input here, just like they do in every other country.

So I think the problem is, we're doing too little of some of the things we do well, and we're doing too much of things that we can't really have much of an impact on except to slow down the job machine. And it's not so much less; we need a lot less in some areas, but we also need to far more sharply define what nearly all of us could agree the Government ought to do as well as what the Government ought not to do. And we're going to

have to be much more disciplined about it. I mean, there are lots of departments here in this town that have a good mission. But they also are doing things that they started doing 25 or 30 years ago that may or may not have a credible rationale for continuing now, and we can't afford that anymore.

It's just like you. If you want to increase your impact, and you're not getting any more money, you've got to change what you're doing. You've got to stop doing some things, and you want to start doing others. And the thing I like about this budget that we're about to adopt is that if we want to do new things, it's going to require us to stop doing some old things and will require some real discipline for the first time in a long time. And we'll do our best. And if we set up this consultation process, you can help us along the way.

Thank you very much.

NOTE: The President spoke at 9:15 a.m. at the Hyatt Regency. In his remarks, he referred to Jack Faris, president and chief executive officer of the National Federation of Independent Business.

Exchange With Reporters Prior to Discussions With President Carlos Saul Menem of Argentina

June 29, 1993

President's Approval Rating

Q. How do you like your new popularity as a result of the attack on Baghdad?

The President. I think there's a lot of evidence that people are learning more about the specifics of the economic program again, too. I think that's a lot of it.

Q. Do you really think that's it?

The President. Absolutely, I do.

Iraq

Q. There were new threats from Iraqi officials this morning, threat of retaliation. Are you concerned about that, Mr. President?

The President. Well, we'll deal with those as they arise.

Haiti

Q. Are you going to discuss the Haitian situation with Mr. Menem?

The President. Absolutely, I will. I want to get his ideas. President Menem has been a real force for democracy and for human rights in our hemisphere. Argentina was extremely helpful in playing a leadership role in the recent Guatemalan crisis. And I want to know what he thinks about Haiti and what we might do.

Q. Are you going to sell him Skyhawks, 36 Skyhawks?

Economic Indicators

Q. —sir, last month after you took great pains to attach the jump to your economic program.

The President. They won't be up every month. But the economy in our country will have great difficulty in totally recovering in any short period of time from the traumas of the last 10 to 12 to 15 years. But I think that it's clear that if we can bring our deficit down, keep our interest rates down, we can get growth up. It's also true that we have to try to work with our trading partners to get growth up. And I might just mention Argentina. Our exports to Argentina have tripled in the last 4 years. That's the sort of thing we're trying to work on with other countries around the world. And it's not going to be easier quick. We're basically restructuring the American economy at a time when the whole world is in a rebuilding process. But I'm hopeful.

[At this point, one group of reporters left the room and another group entered.]

Argentina

Q. Mr. Clinton, can you tell us what you want to achieve with this visit?

The President. Well, first of all, I want to just get to know President Menem a little better. He is the first Latin American leader I have received here at the White House. I admire very much the program of economic reform that Argentina has pursued under his leadership, their respect for human rights, their support for democracy. I was especially grateful for the position taken in the recent issue with Guatemala. And there are lots of things we have to talk about.

Q. Mr. President, do you agree that Argentina is leading Latin America?

The President. Do I believe Argentina's a leader in Latin America? Absolutely. I hope that we can explore stronger and broader trade relations. I hope that we can continue to work together on the problems in the hemisphere. I'm going to ask President Menem for his views on the situation in Haiti, for example, where I very much want to see democracy restored. And I wanted him to come here and to be the first Latin American leader to come because of the remarkable, some would say astonishing, progress in Argentina in the last couple of years.

NOTE: The President spoke at 11:35 a.m. in the Oval Office at the White House. A tape was not available for verification of the content of this exchange.

The President's News Conference With President Carlos Saul Menem of Argentina

June 29, 1993

President Clinton. Good afternoon, ladies and gentlemen. Today I have the great honor of welcoming President Carlos Menem of Argentina to the White House, the first leader of a Latin American state to visit here since I took office.

Under President Menem's administration, Argentina has become an international leader on the great issues of the post-cold-war era, a leader in this hemisphere in defense of democracy and human rights, a trusted and valued partner and friend of the United States. Together we are constructing a Western Hemisphere community of democracies, interpreted by common political values and growing economic ties. We deeply appreciate President Menem's visit today. He represents a new generation of Latin American Presidents committed to expanding freedom, strengthening democracy, and creating prosperity. His leadership has been bold and his accomplishments truly impressive.

We talked today about Argentina's democratic reforms and the role Argentina has assumed as an international leader. Today, Argentine troops serve with the United Nations peacekeepers in Croatia, in Kuwait, in Mo-

zambique, and in other troubled lands. In the Organization of American States, Argentina consistently takes a strong stand in favor of collective defenses of democracy. With Argentina's support, the OAS has worked to defend democratic institutions in Peru, reverse the coup in Guatemala. And I am confident, together we can restore democracy in Haiti, a subject we discussed at great length today.

Argentina has also confronted crises of recession and hyperinflation and has overcome both. Argentina slashed its tariffs and opened its economy to world markets. It ended its fiscal deficit and created a stable currency. It sold state enterprises and attracted new investment. And as a result, last year Argentina's economy grew 9 percent. I asked him for a few of those points for America today. That was one of the unresolved parts of our discussion. *[Laughter]*

Once Congress successfully ratifies the North American Free Trade Agreement with Mexico and with Canada, we will want to reduce trade barriers with other countries in this hemisphere. Freer trade promotes the kind of economic and democratic reforms we see in Argentina. It clearly benefits our economy as well as that of our neighbors. As I said earlier today, in the last 4 years our trade with Argentina has tripled, accounting for 40,000 jobs in the United States.

Our meeting covered some other areas as well. Argentina's Government has been an important voice in calling for a successful conclusion of the Uruguay round to open the world trading system. Argentina stands among the nations leading the effort to confront the overriding challenge of stopping the spread of weapons of mass destruction. President Menem himself ended a dangerous ballistic missile program, signed important nuclear nonproliferation agreements, placed strong controls on the export of sensitive weapons-related materials and technology, and helped to lead the successful international effort to negotiate the Chemical Weapons Convention.

Argentina has been in the forefront of initiatives to increase the dialog on security issues in its region. Its progress and support for democracy are two reasons why this

hemisphere today is more secure and more prosperous today than it was in the past and why it will show the way to a better world tomorrow.

Again, let me say it is an honor for me to welcome the President, whom I admire, whose accomplishments we respect, and whose country will be a great partner for the United States in the years ahead.

Mr. President.

President Menem. Thank you very much, Mr. President. I would like to tell you of my gratitude that is sincere and loyal in the name of my country and of my government for your words. They are the result of a complete knowledge of what is happening in Argentina, in this continent, and in the world.

You may be absolutely sure that Argentina will continue along this road. There is absolutely no possibility of any change in Argentine policies in the field of economics and in the social fields. I always say this is a road that we cannot walk backwards on, and these are the results we are obtaining. If I would have to explain here the achievements obtained, I would have to repeat the same words that you have used, Mr. President, and this would not perhaps be very much in order. But we have talked in an environment of cordiality and affection. We have discussed our relations that are now at their best level ever. We are prepared to improve on them, and I have told the President of the United States that in Argentina he will find a firm and determined ally. And we consider the United States a great ally for Argentina.

Within this framework we have discussed subjects that are related to the consolidation of democracy and freedom, not only within this continent, the issues related to Guatemala, Haiti, Cuba and Peru, but we have also discussed the absolute need for democracy, freedom, the respect of human rights, and all issues related to the environment should become reality in all of this world. We would like to see disappear wherever possible that terrible scourge of war, of any kind of discrimination, international terrorism, drug trafficking. We have not restricted our conversations to a preestablished agenda. We have extended our talks even further.

It is always good to come to the United States of America. I believe it is also good

to go to Argentina, and that is why I have invited the President to visit us, because valuable experiences are awaiting in Argentina and this will allow us to make our links even stronger, the links that are joining Argentina to the United States.

Mr. President, once again, thank you very much. Thank you for your gift. He gave me as a gift a basketball signed by all the members of the Chicago Bulls. So, thank you.

Iraq

Q. Mr. President, I'd like to ask you about the bombing. Could the assassination plot against former President Bush have moved forward without the approval of Saddam Hussein? And why did the United States not try to hit closer to home for Saddam Hussein, perhaps his headquarters?

President Clinton. We believe the evidence clearly indicates that the bombing operation was authorized by the Iraqi Government. And it is highly unusual, in the experience of our people—let me recast that—our analysts have no experience of such an operation of that magnitude being authorized other than at the highest levels. However, it was thought that under international law and based on the facts of this particular case, that the best possible target was the target of the intelligence headquarters where in all probability the operation itself was planned and that to damage that headquarters significantly would send the appropriate message, given the facts of this case.

Q. But in your mind—[inaudible]—did you think Saddam Hussein signed off on this?

President Clinton. I have given you the only answer I think it's appropriate for me to give you.

Q. Mr. President, what do you think you accomplished with the bombing of Iraq and the loss of innocent lives, the destruction?

President Clinton. First of all, we damaged their major intelligence facility quite severely. Secondly, we made it absolutely clear that we will not tolerate acts of terrorism or other illegal and dangerous acts. I think it sent a very important message.

Q. We understand there's been an incident over the no-fly zone in southern Iraq today. A U.S. F-4G Wild Weasel launched a HARM missile against an Iraqi radar instal-

lation. What can you tell us about that incident, and secondly, what does it suggest to you that it comes at a time when the Iraqis are still threatening retaliation for the weekend bombing?

President Clinton. The standard rules of engagement for flights in that region are that if radar locks onto our airplanes, our airplanes are authorized to take action against those installations. So this has happened a number of times, and based on the facts that I now have, I wouldn't read too much into it. It's part of the standard rules of engagement.

Q. You said during the transition that you could conceive of a situation where we could have normal relations with Iraq with Saddam Hussein still in power. Given what's occurred, how would you now frame your position on this issue?

President Clinton. What I said or at least tried to say in the transition was that I thought we ought to judge every country based on its conduct. And based on its conduct, I think that the possibility of normal relations is very difficult to conceive, not just in this instance but also in the stubborn refusal of Iraq to comply with the United Nations resolutions.

Q. Mr. President, just now you said that the strike had damaged the intelligence facility. Yesterday you said it had crippled the intelligence facility.

President Clinton. I think it did cripple the intelligence facility. At least the reports that I received from the intelligence services was that 15 of the missiles had hit within just a few feet of where they were exactly programmed, and based on what they knew of the potential for destruction of those missiles, that the facility had been crippled. Those were the exact words I got from the people who briefed me about it.

Q. Was it possible that you were not briefed correctly, because Pentagon officials were saying that Saddam has multiple intelligence facilities and that this was one of three or four and that, in fact, he would be operational without this facility, and especially because he relies so heavily on human intelligence and none of the people were involved—

President Clinton. Well, I didn't mean that they wouldn't have any more intelligence. But I do think the building and whatever resources are in that building, which is plainly the main building, was severely damaged, and that's what our intelligence people told me.

Is there anyone here from Argentina? Yes, a little equal opportunity here.

Terrorism

Q. President Clinton, did President Menem offer you a specific help to combat terrorism? And do you think you have to put more guards on President Menem because there was going to be a plot or something like that from the Arabs?

President Clinton. Well, we try to always provide appropriate security to world leaders who come here. President Menem—perhaps I should let him speak to this—but he was very supportive of the action we took in Iraq and very determined that we ought to stand together with other civilized nations against terrorism everywhere.

President Menem. With more security I would have felt uncomfortable in the United States. I have a very special philosophy in life: Nobody will die the day before his preestablished date. And I rely and trust fully in God. He brought us to this world, and He is to decide the day we leave this world. With a great amount of security around a head of state in general, any terrorist activity may be successful. That is why terrorism has to be fought back without any kind of compassion. They lack absolutely any kind of compassion since, when they place a bomb, they are prepared to destroy the lives of old people and children. Terrorism is now one of the worst scourges of humanity.

Disarmament and Military Action

Q. Mr. President, the United States speaks constantly of disarmament and world peace, especially after the fall of the Berlin Wall. Your Government, through the Embassy in Buenos Aires, has insisted on this policy of peace and disarmament. Don't you believe that the United States has not given an example to follow this course when bombarding Baghdad as a result of this intelligence information?

President Clinton. No, I disagree. As a matter of fact, the United States has been a leader in disarmament. We have signed significant agreements with first the Soviet Union and now with Russia trying to reduce our nuclear arsenals. We are working very hard to reduce the spread of weapons of mass destruction. And I think what we did last weekend with regard to Iraq is a clear signal that people ought not to use weapons in illegal ways. I would remind you that the action I took was in response to an operation that involved a bomb that, had it exploded in downtown Kuwait City, had a 400-yard radius of lethal destruction. So, I think it was the appropriate thing to do.

Latin America-U.S. Trade Agreements

Q. I have a question for you, Mr. Clinton, and another for Mr. Menem.

First, assuming that NAFTA is approved by Congress, when do you foresee Argentina, or Chile, for that matter, negotiating an agreement with the United States? I'm kind of interested in a timetable. And for Mr. Menem, I would like to get more details on that offer you made yesterday to negotiate between the United States and Cuba to improve relations between the two countries.

President Clinton. I would be prepared to discuss immediately with Argentina, with Chile, with other appropriate nations the possibility of expanded trade relations along the NAFTA model. I have long thought that NAFTA should be a model for embracing all of Latin America's democracies and free market economies. I have no timetable. I think perhaps President Menem would have a better view of that, but my attitude is we ought to get on with it. We ought to try to increase the volume and the variety of trade with the appropriate countries just as quickly as possible.

President Menem. On this issue, we had already discussed this with the President, and I have told him that as a priority so as to be able to start formal talks on the access of Argentina or any other country in the region to NAFTA, it would be fundamental to finish the NAFTA agreement, that on the basis of due legislation this process should come to its end. If NAFTA has been passed and enacted during the first months of the

next year or the 1st of January, only then can we start discussing the incorporation of Argentina in NAFTA.

And at the same time, we must remember that we are going through another process of integration within MerCoSur, and we have a commitment with the United States in the four-plus-one agreement as to the possibility of having a free trade area between these four countries of MerCoSur and the United States. This, in the case of coming to understanding, will make it possible not only to Argentina joining NAFTA but also MerCoSur. As the result of the NAFTA agreement coming to its enactment, then the MerCoSur countries could perhaps also be joining NAFTA. This is something that should be discussed between the three other countries that are members of NAFTA.

Cuba

Q. Reuters Agency said yesterday that you were proposing to act as a mediator between the United States and Cuba.

President Menem. As a reply to a question by a journalist when he asked if I would be prepared in participating in any kind of negotiations between the United States and Cuba, I answered: President Bush asked me when we met in Costa Rica for the 100th anniversary of democracy, he asked me to stop over in Nicaragua to ask Daniel Ortega to respect the results of the elections that were to be held a short time after in that country, since doubts existed as to the decision that the people of Daniel Ortega's team would take on this issue. I spent more than 2 hours discussing the subject with Commander Ortega, and he was convinced he would be winning the elections. And finally after 2 hours of discussion he said, "If Mrs. Violeta Chamorro wins the elections, I will give her the government." And if the United States requests it, I am prepared to discuss the issue with Fidel Castro or with whoever it is necessary. I would like to see Cuba living in democracy as soon as possible.

Patent Protection and Farm Subsidies

Q. This is a question for both of you. Have you discussed pharmaceutical patents and subsidies in agriculture? President Menem first and then President Clinton, please.

President Menem. We have discussed this, and I have told President Clinton what I told Mr. Kantor yesterday. This draft law on patents has been introduced through the Senate to the Argentine Parliament, and we are expecting that it will be passed soon. But the executive power of Argentina has sent this draft law to Parliament.

And on subsidies, this is a subject we discuss constantly not only with the President of the United States but also with the Presidents of the European Community countries since they have taken the more difficult stand on this issue when they are subsidizing agriculture, damaging countries such as Argentina. You must not forget that the amount of subsidies is now exceeding \$300 billion. It becomes difficult to compete under these circumstances. And I always tell the people in the United States, the U.S. President, and the Europeans they were the masters in free trade and economic freedom. It is not understandable that they should insist on these attitudes that go against the teachings that they sent to the world at large.

President Clinton. The answer to your question is, just as President Menem said, we discussed the patent protection legislation, and I expressed the hope of the United States that it would pass soon by the legislative body in Argentina.

I also, with regard to agricultural subsidies, pointed out that the United States had reduced agricultural subsidies unilaterally in 1990, that our budget reduces them again this year, and that we strongly support the Blair House accords which were reached last year to reduce agricultural subsidies in the Uruguay round of GATT, and that we are with Argentina on that. Also, having grown up in a farming area, I expressed enormous admiration for the fact that Argentina has the deepest topsoil anywhere in the world. So, if I were in his position, I would be taking exactly the same position. With 20 feet of topsoil he can grow anything and do well.

Yes, one last question, and then we've got to go.

Iraq

Q. Despite what General Powell said, I don't understand why the United States went after the facility at night, rather than going

after the intelligence facility during the daytime when the top people were there. And will you take action if the Iraqis go after the Kurds or the Shiites?

President Clinton. I think we've made it clear to them what our position is on the second question you asked. The reason we went at night was quite simply that we wanted to make a strong point. We wanted to do as much damage to the facility as we could. We wanted to minimize the loss of human life because of the nature of what actually happened. I think everyone knows what our military is capable of doing. What we needed to show them was that we were fully possessed of the will to do it under these circumstances. And I think we picked the appropriate target, and I think we did it at the appropriate time under these circumstances.

Thank you very much.

NOTE: The President's 18th news conference began at 1:50 p.m. in the East Room at the White House. President Menem spoke in Spanish, and his remarks were translated by an interpreter.

Executive Order 12852—President's Council on Sustainable Development *June 29, 1993*

By the authority vested in me as President by the Constitution and the laws of the United States of America, including section 301 of title 3, United States Code, it is hereby ordered as follows:

Section 1. Establishment. There is established the "President's Council on Sustainable Development" ("Council"). The Council shall consist of not more than 25 members to be appointed by the President from the public and private sectors and who represent industrial, environmental, governmental, and not-for-profit organizations with experience relating to matters of sustainable development. The President shall designate from among the Council members such official or officials to be chairperson, chairpersons, vice-chairperson, or vice-chairpersons of the Council as he shall deem appropriate. The Council shall coordinate with and report to such officials of the executive branch as the

President or the Director of the White House Office on Environmental Policy shall from time to time determine.

Sec. 2. Functions. (a) The Council shall advise the President on matters involving sustainable development. "Sustainable development" is broadly defined as economic growth that will benefit present and future generations without detrimentally affecting the resources or biological systems of the planet.

(b) The Council shall develop and recommend to the President a national sustainable development action strategy that will foster economic vitality.

(c) The chairperson or chairpersons may, from time to time, invite experts to submit information to the Council and may form subcommittees of the Council to review and report to the Council on the development of national and local sustainable development plans.

Sec. 3. Administration. (a) The heads of executive agencies shall, to the extent permitted by law, provide to the Council such information with respect to sustainable development as the Council requires to carry out its functions.

(b) Members of the Council shall serve without compensation, but shall be allowed travel expenses, including per diem in lieu of subsistence, as authorized by law for persons serving intermittently in the Government service (5 U.S.C. 5701-5707).

(c) The White House Office on Environmental Policy shall obtain funding for the Council from the Department of the Interior or such other sources (including other Federal agencies) as may lawfully contribute to such activities. The funding received shall provide for the administrative and financial support of the Council.

(d) The Office of Administration in the Executive Office of the President shall, on a reimbursable basis, provide such administrative services for the Council as may be required.

Sec. 4. General. (a) I have determined that the Council shall be established in compliance with the Federal Advisory Committee Act, as amended (5 U.S.C. App.). Notwithstanding any other Executive order, the functions of the President under the Federal Ad-

visory Committee Act, as amended, except that of reporting to the Congress, which are applicable to the Council, shall be performed by the Office of Administration in the Executive Office of the President in accord with the guidelines and procedures established by the Administrator of General Services.

(b) The Council shall exist for a period of 2 years from the date of this order, unless the Council's charter is subsequently extended.

(c) Executive Order No. 12737, which established the President's Commission on Environmental Quality, is revoked.

William J. Clinton

The White House,
June 29, 1993.

[Filed with the Office of the Federal Register, 2:40 p.m., June 30, 1993]

NOTE: This Executive order was published in the *Federal Register* on July 2.

Memorandum on Delegation of Authority on Trade With Japan

June 29, 1993

Presidential Determination No. 93-29

Memorandum for the United States Trade Representative

Subject: Delegation of Authority to Modify or Terminate Title VII Trade Action Taken Against Japan

By the authority vested in me by the Constitution and laws of the United States, including 3 U.S.C. section 301, I hereby delegate to the United States Trade Representative the powers granted the President:

(1) in section 305(g)(1)(A) of the Trade Agreements Act of 1979, as amended (19 U.S.C. 2515(g)(1)(A) (the Act)), to formally identify Japan as a country that discriminates against U.S. products or services in government procurement of construction, architectural, and engineering services; and

(2) in section 305(g)(2) of the Act to impose, modify, or restrict sanctions in response to the discrimination so identified.

This delegation of authority is effective until July 2, 1993. You are authorized and directed to publish this determination in the *Federal Register*.

William J. Clinton

[Filed with the Office of the Federal Register, 3:52 p.m., June 29, 1993]

NOTE: This memorandum was published in the *Federal Register* on July 1.

**Message to the Senate Transmitting
the Convention on the Marking of
Explosives for Detection**

June 29, 1993

To the Senate of the United States:

I transmit herewith, for the advice and consent of the Senate to ratification, the Convention on the Marking of Plastic Explosives for the Purpose of Detection with Technical Annex, done at Montreal on March 1, 1991. The report of the Department of State is also enclosed for the information of the Senate.

The terrorist bombing of Pan Am 103 in December 1988 with the resultant deaths of 270 (including 189 Americans), and the terrorist bombing of UTA flight 772 in September 1989 with the resultant deaths of 171 (including 7 Americans), dramatically demonstrate the threat posed by virtually undetectable plastic explosives in the hands of those nations and groups that engage in terrorist savagery.

This Convention is aimed at precluding such incidents from recurring, as well as others where plastic explosives are utilized, by requiring States that produce plastic explosives to mark them at the time of manufacture with a substance to enhance their detectability by commercially available mechanical or canine detectors. States are also required to ensure that controls are implemented over the sale, use, and disposition of marked and unmarked plastic explosives.

Work on the Convention began in January 1990 under the auspices of the International Civil Aviation Organization (ICAO) on the basis of an initial draft prepared by a special subcommittee of the ICAO Legal Committee. That work was completed, and the Con-

vention was adopted by consensus, at an international conference in Montreal in March 1991. The United States and 50 other States signed the Convention. Early ratification by the United States should encourage other nations to become party to the Convention.

I recommend that the Senate give early and favorable consideration to the Convention and give its advice and consent to ratification, subject to the declaration described in the accompanying report of the Secretary of State.

William J. Clinton

The White House,
June 29, 1993.

**Message on the Observance of
Independence Day, 1993**

June 29, 1993

On Independence Day, we celebrate the birth of the first and greatest democracy of the modern era. The ideals embodied by the Declaration of Independence have served as a guide for our nation and as an inspiration for people around the world. This document delineated the very idea of America, that individual rights are derived not from the generosity of the government, but from the hand of the Almighty. The Founders forever abandoned their allegiance to the old European notions of caste and instead dedicated themselves to the belief that all people are created equal.

The brilliant men who gathered in Philadelphia 218 years ago to declare our nation's independence risked their honor, their fortunes, and their very lives to create a better future for their children and grandchildren. As the inheritors of freedom's legacy, we owe our liberties to the fact that our Founders saw the need for dramatic change and acted upon it.

Today, vast changes are sweeping the globe. Nations that have known only tyranny for centuries are suddenly dedicating themselves to the ideals of freedom and democracy. And wherever freedom is proclaimed, echoes of the American Declaration of Inde-

pendence can be heard. Thomas Jefferson's words are being spoken in dozens of nations in hundreds of languages.

We are justly proud of the influence that our beliefs have had on the world. But the mission of America is far from complete. While the world is filled with opportunity, it is rife with uncertainty. We must dedicate ourselves to carrying on the dreams of the Founders and adding our own chapter to the unfinished American autobiography. By embracing the changes that are altering the landscape of the world today, we help ensure a brighter, more democratic, and more peaceful world. On this Independence Day, I encourage all Americans to rededicate themselves to the conviction that our heroic journey must go forever upward.

Best wishes to everyone for a wonderful day.

Bill Clinton

Statement on Flooding in the Midwest

June 29, 1993

I am very concerned about the flooding in the heartland of our country, and I've asked Agriculture Secretary Mike Espy to survey the region and see firsthand what the excessive rains have done to agriculture production there. I also have directed the Federal Emergency Management Agency to keep me fully informed of their activities on behalf of the affected States.

The Mississippi River is closed to navigation over a 500-mile stretch from the Twin Cities in Minnesota to St. Louis. Clearly, this is one of the most significant natural disasters midwestern residents, business owners, and agricultural producers have faced in a very long time. This region of the country is dependent upon agricultural production, and when agriculture faces a disaster like this one, everyone is adversely affected.

Tomorrow Secretary Espy will travel to Iowa, Wisconsin (weather permitting), Minnesota, and South Dakota to view the rain-related damage and talk face to face with farmers and area residents about the damage.

FEMA Director James Lee Witt reports that his Agency already has placed survey teams in the field where they are working with the State emergency operating centers. These teams are laying the groundwork necessary for Federal disaster assistance. We intend to speed the recovery of the affected communities and ensure disaster victims receive the help they need as rapidly as possible.

Upon his return, Secretary Espy will brief me on the condition of the area and make recommendations that will help our fellow citizens living in the region.

As you know, nine counties in southwestern Minnesota were declared disaster areas in late May. Last week, I granted Governor Arne Carlson's request to extend the incident period to allow for coverage for the torrential rains after May 19th through June.

Wisconsin has been hard hit. The break in the dam at Blackriver Falls has destroyed or damaged over 100 homes. Many of the town's residents have no flood insurance. Governor Tommy Thompson has already asked the National Guard to assist the evacuation of flood victims.

Iowa's Governor Branstad also is using the National Guard to assist flood victims in the eastern part of his State. He has told us that many homes and businesses have been flooded out, and thousands more are at risk if the levee breaks.

The Mississippi River continues to rise in Missouri, threatening towns still dealing with the ravages of the May floods. FEMA teams are in eastern Missouri, continuing to monitor the flooding of the Mississippi. Some areas have been evacuated, and preliminary damage assessment teams are in place for a formal assessment request, pending a call from Governor Mel Carnahan.

I commend the bravery and endurance of the many midwesterners facing torrents of rain and rivers that have not yet crested. We will work together to rebuild your communities as we work together to rebuild America.

Nomination for Chairman of the Federal Communications Commission

June 29, 1993

The President today announced his intention to nominate attorney Reed E. Hundt as a member of the Federal Communications Commission. Once Mr. Hundt is confirmed as a member, the President intends to designate him Chairman of the FCC.

"Telecommunications innovations are constantly changing the way we as Americans communicate with each other and with the world. With his years of experience, I am confident Reed Hundt will do an excellent job steering the FCC through the challenges it will face over the next 5 years," the President said.

NOTE: A biography of the nominee was made available by the Office of the Press Secretary.

Exchange With Reporters Prior to a Meeting With Congressional Leaders

June 30, 1993

Nuclear Testing

Q. Mr. President, why not resume nuclear testing? There are a lot of people who argue that it's necessary to ensure the safety of the stockpile.

The President. I'll have a statement on that in the next few days. I've been working very hard on it. I will say this then, the story I read about it today is not quite accurate. But I have made a decision, and the administration will have a policy, and we'll announce it sometime in the next few days. We're working out some of the details, and we haven't finished our congressional consultations yet.

Q. You mean if somebody else tests first, you won't then test?

The President. I have nothing else to say about it. I just—I'll talk about it when——

National and International Economy

Q. Mr. President, what do you think of the new economic figures that have come out over the last couple of days?

The President. Well, most of them are pretty discouraging, and some are encouraging. But the most important thing is to look at this thing over the long run. We've had 3 or 4 very tough years. And there's a global recession. Two-thirds of our jobs in the late eighties came from exports, and it's hard to generate jobs from exports when many European countries have actually negative growth and Japan has no growth. And one of the reasons that we're having this meeting today is to talk about what the United States can do at the meeting of the G-7 to try to get growth going in the global economy.

We have low interest rates now; people can invest; a lot of people are refinancing their business and home loans, so there's money out there to invest. But they've got to be able to know that if we create jobs, that people will be able to sell their products and services. And that's why this G-7 meeting is so important, trying to get some growth back into the global economy that will get the export portion of our job growth going again.

Q. And what would you like the other G-7 nations to do, sir?

The President. What would I like them——

Q. Yes, sir.

The President. I think Japan ought to stimulate their economy and open their markets. And the Europeans should resolve their own differences about agriculture and other things and help us to sign the GATT agreement before the end of the year. And the Germans have worked very hard, the German Government has, but I think the German central bank should continue to lower interest rates there so that all of us together can expand the economy.

It's very hard for the United States alone to grow jobs without help from other nations. So those are the things that I hope we can keep working on. And if we get a good trade agreement, if we could open the markets of other countries, then I think you'll see some real growth coming into the economy.

Q. Is that possible given the political situation of the leaders?

The President. It's harder, but it's possible.

NOTE: The exchange began at 10:21 a.m. in the Cabinet Room at the White House. A tape was not available for verification of the content of this exchange.

Executive Order 12853—Blocking Government of Haiti Property and Prohibiting Transactions With Haiti

June 30, 1993

By the authority vested in me as President by the Constitution and the laws of the United States of America, including the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*), the National Emergencies Act (50 U.S.C. 1601 *et seq.*), section 5 of the United Nations Participation Act of 1945, as amended (22 U.S.C. 287c), and section 301 of title 3 of the United States Code, in view of United Nations Security Council Resolution No. 841 of June 16, 1993, and in order to take additional steps with respect to the actions and policies of the *de facto* regime in Haiti and the national emergency described and declared in Executive Order No. 12775,

I, William J. Clinton, President of the United States of America, hereby order:

Section 1. Except to the extent provided in regulations, orders, directives, or licenses which may hereafter be issued pursuant to this order, and notwithstanding the existence of any rights or obligations conferred or imposed by any international agreement or any contract entered into or any license or permit granted before the effective date of this order, all property and interests in property of the Government of Haiti and the *de facto* regime in Haiti, or controlled directly or indirectly by the Government of Haiti or the *de facto* regime in Haiti, or by entities, wherever located or organized, owned or controlled by the Government of Haiti or the *de facto* regime in Haiti, that are in the United States, that hereafter come within the United States, or that are or hereafter come within the possession or control of United States persons, including their overseas branches, are blocked.

Sec. 2. Except to the extent provided in regulations, orders, directives, or licenses which may hereafter be issued pursuant to this order, all property and interests in property of any Haitian national providing substantial financial or material contributions to the *de facto* regime in Haiti, or doing substantial business with the *de facto* regime in Haiti, as identified by the Secretary of the Treasury, that are in the United States, that hereafter come within the United States, or that are or hereafter come within the possession or control of United States persons, including their overseas branches, are blocked.

Sec. 3. The following are prohibited, notwithstanding the existence of any rights or obligations conferred or imposed by any international agreement or any contract entered into or any license or permit granted before the effective date of this order, except to the extent provided in regulations, orders, directives, or licenses which may hereafter be issued pursuant to this order:

(a) The sale or supply, by United States persons, or from the United States, or using U.S.-registered vessels or aircraft, of petroleum or petroleum products or arms and related materiel of all types, including weapons and ammunition, military vehicles and equipment, police equipment and spare parts for the aforementioned, regardless of origin, to any person or entity in Haiti or to any person or entity for the purpose of any business carried on in or operated from Haiti, and any activities by United States persons or in the United States which promote or are calculated to promote such sale or supply;

(b) The carriage on U.S.-registered vessels of petroleum or petroleum products, or arms and related materiel of all types, including weapons and ammunition, military vehicles and equipment, police equipment and spare parts for the aforementioned, regardless of origin, with entry into, or with the intent to enter, the territory or territorial sea of Haiti;

(c) Any transaction by any United States person that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in this order.

Sec. 4. The exemption for exportation from the United States to Haiti of rice, beans,

sugar, wheat flour, and cooking oil in section 2(c)(iii) of Executive Order No. 12779 shall not apply to exportations in which either the *de facto* regime in Haiti or any person identified by the Secretary of the Treasury pursuant to section 2 of this order is a direct or indirect party.

Sec. 5. For the purposes of this order:

(a) The term "Haitian national" means a citizen of Haiti, wherever located; an entity or body organized under the laws of Haiti; and any other person, entity, or body located in Haiti and engaging in the importation, storage, or distribution of products or commodities controlled by sanctions imposed on Haiti pursuant to resolutions adopted either by the United Nations Security Council or the Organization of American States, or otherwise facilitating transactions inconsistent with those sanctions.

(b) The definitions contained in section 3 of Executive Order No. 12779 apply to the terms used in this order.

Sec. 6. The Secretary of the Treasury, in consultation with the Secretary of State, is hereby authorized to take such actions, including the promulgation of rules and regulations, and to employ all powers granted to me by the International Emergency Economic Powers Act and the United Nations Participation Act, as may be necessary to carry out the purpose of this order. Such actions may include the prohibition or regulation of entry into the United States of any vessel or aircraft which is determined to have been in violation of United Nations Security Council Resolution No. 841. The Secretary of the Treasury may redelegate any of these functions to other officers and agencies of the United States Government, all agencies of which are hereby directed to take all appropriate measures within their authority to carry out the provisions of this order, including suspension or termination of licenses or other authorizations in effect as of the date of this order.

Sec. 7. Section 4 of Executive Order No. 12775 and sections 2(c) and 4 of Executive Order No. 12779 are hereby revoked to the extent inconsistent with this order. Otherwise, the provisions of this order supplement the provisions of Executive Order No. 12779.

Sec. 8. Nothing contained in this order shall create any right or benefit, substantive or procedural, enforceable by any party against the United States, its agencies or instrumentalities, its officers or employees, or any other person.

Sec. 9.

(a) This order is effective immediately.

(b) This order shall be transmitted to the Congress and published in the *Federal Register*.

William J. Clinton

The White House,
June 30, 1993.

[Filed with the Office of the Federal Register,
4:29 p.m., June 30, 1993]

NOTE: This Executive order was published in the *Federal Register* on July 2.

Message to the Congress on Further Sanctions Against Haiti *June 30, 1993*

To the Congress of the United States:

Pursuant to section 204(b) of the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*), the National Emergencies Act (50 U.S.C. 1601 *et seq.*), section 5 of the United Nations Participation Act of 1945 (22 U.S.C. 287c), and section 301 of title 3 of the United States Code, in view of United Nations Security Council Resolution No. 841 of June 16, 1993, and in order to take additional steps with respect to the actions and policies of the *de facto* regime in Haiti and the national emergency described and declared in Executive Order No. 12775, I hereby report that I have exercised my statutory authority with respect to Haiti and issued an Executive order that:

—Blocks all property of any Haitian national providing substantial financial or material contributions to the *de facto* regime in Haiti, or doing substantial business with the *de facto* regime in Haiti, as identified by the Secretary of the Treasury, that is or comes within the United States or the possession or control of United States persons. The pro-

posed order defines the term "Haitian national" to mean a citizen of Haiti, wherever located; an entity or body organized under the laws of Haiti; and any other person, entity, or body located in Haiti and engaging in the importation, storage, or distribution of products or commodities controlled by sanctions imposed on Haiti pursuant to resolutions adopted either by the United Nations Security Council or the Organization of American States, or otherwise facilitating transactions inconsistent with those sanctions;

—Prohibits the sale or supply, by United States persons, or from the United States, or using U.S.-registered vessels or aircraft, of petroleum or petroleum products or arms and related materiel of all types, including weapons and ammunition, military vehicles and equipment, police equipment and spare parts for the aforementioned, regardless of origin, to any person or entity in Haiti or to any person or entity for the purpose of any business carried on in or operated from Haiti, and any activities by United States persons or in the United States which promote or are calculated to promote such sale or supply; and

—Prohibits the carriage on U.S.-registered vessels of petroleum or petroleum products, or arms and related materiel of all types, including weapons and ammunition, military vehicles and equipment, police equipment and spare parts for the aforementioned, regardless of origin, with entry into, or with the intent to enter, the territory or territorial sea of Haiti.

I am enclosing a copy of the Executive order that I have issued. The order was effective immediately.

The Secretary of the Treasury, in consultation with the Secretary of State, is authorized to issue regulations implementing these prohibitions.

United Nations Security Council Resolution 841, unanimously adopted on June 16, 1993, calls on all States to adopt certain measures which are included within those outlined above. These measures are called for in recognition of the urgent need for an early, comprehensive, and peaceful settlement of the crisis in Haiti and in light of the failure of parties in Haiti to act construc-

tively to take steps necessary to begin the restoration of democracy.

The measures we are taking respond to the Security Council's call. They demonstrate our commitment to remain at the forefront of the international community's efforts to back up with sanctions the negotiations process being sponsored by the United Nations and the Organization of American States. These steps also demonstrate unflinching support through our foreign policy of the return of democracy to Haiti.

William J. Clinton

The White House,
June 30, 1993.

Message to the Congress Transmitting a Report on Aeronautics and Space Activities

June 30, 1993

To the Congress of the United States:

I am pleased to transmit this report on the Nation's achievements in aeronautics and space during fiscal year 1992, as required under section 206 of the National Aeronautics and Space Act of 1958, as amended (42 U.S.C. 2476). Not only do aeronautics and space activities involve 14 contributing departments and agencies of the Federal Government as reflected in this report, but the results of their ongoing research and development affect the Nation as a whole.

Fiscal year 1992 was a significant one for U.S. aeronautics and space efforts. It included 7 Space Shuttle missions and 14 Government launches of expendable launch vehicles (ELVs) carrying a variety of payloads ranging from NASA missions to classified payloads. In addition, there were eight launches of ELVs by commercial launch service providers operating under licenses issued by the Department of Transportation's Office of Commercial Space Transportation. On December 7, 1991, the Air Force achieved initial launch capability for the new Atlas II launch vehicle in a commercial launch by General Dynamics with support from the Air Force. The Shuttle mis-

in-

cluded one using the Atmospheric Laboratory for Applications and Science (ATLAS-1) to study the Sun and our atmosphere, as well as the first flight of the newest orbiter, *Endeavour*, which rendezvoused with, retrieved, and replaced the perigee kick motor of the INTELSAT VI (F-3) satellite that INTELSAT controllers then deployed into its intended orbit.

In aeronautics, efforts have ranged from development of new civil and military aircraft and technologies to research and development of ways to reduce aircraft noise and improve flight safety and security.

One of the major Earth science highlights of the year was the discovery that, like the ozone layer over the Antarctic with its well-documented annual depletion, the ozone layer in the Northern Hemisphere is increasingly vulnerable to depletion by synthetic chemicals. Several Federal agencies have cooperated to study this and other environmental challenges.

Thus, fiscal year 1992 was a successful year for the U.S. aeronautics and space programs. Efforts in both areas have promoted significant advances in the Nation's scientific and technical knowledge that promise to improve the quality of life on Earth by increasing scientific understanding, expanding the economy, and improving the environment.

William J. Clinton

The White House,
June 30, 1993.

Letter to Television Networks on Use of Program Violence Warnings

June 30, 1993

Dear Howard:

I applaud the action taken today by CBS and by the other major broadcast networks to begin addressing the problem of violence on television. Millions of parents are rightly concerned that their children are exposed to far too many graphic pictures of murder and mayhem. The announcement of voluntary violence warnings is an important, commendable first step in dealing with this crucial issue.

For the health of our society and the American family, we must continue to find ways to limit the excessive portrayal of violence in our television programming. In the past, the television industry has responded to public concerns and has dealt in a responsible manner with issues such as drug use, alcohol, and smoking. I encourage the broadcast industry, the creators and producers, as well as the advertisers who support network programming, to take full responsibility in limiting the amount of televised violence.

Again, I commend the networks for this initial effort and encourage you to continue to find ways to make your programming suitable for the children and youth of this nation.

Sincerely,

Bill Clinton

NOTE: This letter was sent to Howard Stringer, president, CBS Broadcast Group. Similar letters were sent to Warren Littlefield, president, NBC Entertainment; George Vradenburg, executive vice president, Fox Television; Thomas S. Murphy, chairman of the board, Capital Cities-ABC; and Ted Turner, chairman of the board and president, Turner Broadcasting System.

Nomination for Posts at the Department of Defense

June 30, 1993

The President today announced his intention to nominate John Hamre to be Comptroller of the Department of Defense. He also announced that he is appointing Mitch Wallerstein to serve at the Pentagon as Deputy Assistant Secretary for Counterproliferation Policy.

"We are continuing the process of putting together a strong and effective staff at the Department of Defense," said the President. "John Hamre and Mitch Wallerstein both bring outstanding academic credentials along with years of hands-on experience to their new positions."

NOTE: Biographies of the nominees were made available by the Office of the Press Secretary.

Nomination for Ambassadors and an Associate Administrator of the Agency for International Development

June 30, 1993

The President announced today that he intends to nominate Richard Holbrooke to be his Ambassador to Germany and Tom Niles as his Ambassador to Greece. In addition, the President announced that he has nominated Robert Houdek to be Ambassador to Eritrea and that he intends to nominate Larry Byrne to be the Associate Administrator for Finance and Administration at the Agency for International Development, U.S. International Development and Cooperation Agency.

"The people we are adding to our foreign policy team today are men of tremendous achievement and character," said the President. "I am particularly glad that Richard Holbrooke will be serving our country as Ambassador to Germany. Throughout his years in Government and more recently as a leader in the private sector, he has demonstrated the talents that are needed for an important position such as this one."

NOTE: Biographies of the nominees were made available by the Office of the Press Secretary.

Nomination for Posts at the Departments of Housing and Urban Development, Veterans Affairs, and Commerce

June 30, 1993

The President announced his intention today to nominate the following officials:

William Gilmartin, Assistant Secretary of Housing and Urban Development for Congressional and Intergovernmental Relations;

Eugene Brickhouse, Assistant Secretary of Veterans Affairs for Human Resources and Administration;

Ginger Lew, General Counsel, Department of Commerce.

"These three outstanding individuals will make excellent additions to our administration," said the President. "William Gilmartin,

Eugene Brickhouse, and Ginger Lew have all proven themselves in their previous Government service. I am grateful that they have agreed to be part of our efforts now."

NOTE: Biographies of the nominees were made available by the Office of the Press Secretary.

Remarks Announcing the Forest Conservation Plan

July 1, 1993

Ladies and gentlemen, this issue has been one which has bedeviled the people of the Pacific Northwest for some years now. It has been one that has particularly moved me for two reasons: first of all, because so many people in that part of the country brought their concerns to me in the campaign on all sides of this issue, the timber workers and companies, the environmentalists, the Native Americans, the people who live in those areas who just wanted to see the controversy resolved, so they could get on with their lives; and secondly, because I grew up in a place with a large timber industry and a vast amount of natural wilderness, including a large number of national forests. So I have a very close identity with all the forces at play in this great drama that has paralyzed the Pacific Northwest for too long.

We're announcing a plan today which we believe will strengthen the long-term economic and environmental health of the Pacific Northwest and northern California. The plan provides an innovative approach to forest management to protect the environment and to produce a predictable and sustainable level of timber sales. It offers a comprehensive, long-term plan for economic development. And it makes sure that Federal Agencies, for a change, will be working together for the good of all the people of the region.

The plan is a departure from the failed policies of the past, when as many as six different Federal Agencies took different positions on various interpretations of Federal law and helped to create a situation in which, at length, no timber cutting at all could occur because of litigation, and still environmental-

ists believed that the long-term concerns of the environment were not being addressed.

The plan is more difficult than I had thought it would be in terms of the size of the timber cuts, in part because during this process the amount of timber actually in the forests and available for cutting was revised downward sharply, in no small measure because of years of overcutting, and in a way that provides an annual yield smaller than timber interests had wanted, and a plan without some of the protections that environmentalists had sought. I can only say that as with every other situation in life, we have to play the hand we were dealt. Had this crisis been dealt with years ago, we might have a plan with a higher yield and with more environmentally protected areas. We are doing the best we can with the facts as they now exist in the Pacific Northwest.

I believe the plan is fair and balanced. I believe it will protect jobs and offer new job opportunities where they must be found. It will preserve the woodlands, the rivers, the streams that make the Northwest an attractive place to live and to visit. We believe in this case it is clear that the Pacific Northwest requires both a healthy economy and a healthy environment and that one cannot exist without the other.

I want to say a special word of thanks to the Vice President, to the Interior Secretary, Bruce Babbitt, to Agriculture Secretary Mike Espy, to Labor Secretary Reich, Commerce Secretary Brown, Environmental Protection Administrator Browner, Environmental Policy Director Katie McGinty, and many others in our administration who worked together to bring all the forces of the Federal Government into agreement, not because they all agreed on every issue at every moment but because they knew that we owed the people of the Pacific Northwest at least a unified Federal position that would break the logjam of the past several years.

This shows that people can work together and make tough choices if they have the will and courage to do so. Too often in the past the issues which this plan addressed have simply wound up in court while the economy, the environment, and the people suffered. These issues are clearly difficult and divisive; you will see that in the response to the posi-

tion that our administration has taken. If they were easy they would have been answered long ago. The main virtue of our plan, besides being fair and balanced, is that we attempt to answer the questions and let people get on with their lives. We could not, we could not permit more years of the status quo to continue, where everything was paralyzed in the courts.

We reached out to hundreds of people, from lumber workers and fishermen to environmentalists, scientists, business people, community leaders, and Native American tribes. We've worked hard to balance all their interests and to understand their concerns. We know that our solutions will not make everybody happy. Indeed, they may not make anybody happy. But we do understand that we're all going to be better off if we act on the plan and end the deadlock and divisiveness.

We started bringing people together at the Forest Conference in April. In the words of Archbishop Thomas Murphy then, we began to find common ground for the common good. As people reasoned together in a conference room instead of confronting each other in a courtroom, they found at least that they shared common values: work and family, faith and a reverence for the majestic beauty of the natural environment God has bequeathed to that gifted part of our Nation.

This plan meets the standards that I set as the conference concluded. It meets the need for year-round, high-wage, high-skilled jobs and a sustained, predictable level of economic activity in the forests. It protects the long-term health of the forests, our wildlife, and our waterways. It is clearly scientifically sound, ecologically credible, and legally defensible.

By preserving the forests and setting predictable and sustainable levels of timber sales, it protects jobs not just in the short term but for years to come. We offer new assistance to workers and to families for job training and retraining where that will inevitably be needed as a result of the sustainable yield level set in the plan, new assistance to businesses and industries to expand and create new family-wage jobs for local workers, new assistance to communities to build the infrastructure to support new and diverse

sources of economic growth, and new initiatives to create jobs by investing in research and restoration in the forests themselves. And we end the subsidies for log exports that end up exporting American jobs.

This plan offers an innovative approach to conservation, protecting key watersheds and the most valuable of our old-growth forests. It protects key rivers and streams while saving the most important groves of ancient trees and providing habitat for salmon and other endangered species. And it establishes new adapted management areas to develop new ways to achieve economic and ecological goals and to help communities to shape their own future.

Today I am signing a bill sponsored by Senator Patty Murray and Congresswoman Jolene Unsoeld of Washington and supported by the entire Northwest congressional delegation to restore the ban of export of raw logs from State-owned lands and other publicly owned lands. This act alone will save thousands of jobs in the Northwest, including over 6,000 in Washington State alone.

Today Secretary Babbitt and Secretary Espy are going to the Northwest to talk to State and local officials about how to implement the plan and give to workers, companies, and communities the help they need and deserve. And soon we will deliver an environmental impact statement based on the plan to the Federal District Court in Washington State. We will do all we can to resolve the legal actions that have halted timber sales, and we will continue to work with all those who share our commitment to achieve these goals and move the sales forward.

Together we can build a better future for the families of the Northwest, for their children, and for their children's children. We can preserve the jobs in the forest, and we can preserve the forest. The time has come to act to end the logjam, to end the endless delay and bickering, and to restore some genuine security and rootedness to the lives of the people who have for too long been torn from pillar to post in this important area of the United States. I believe this plan will do that, and this administration is committed to implementing it.

Thank you very much.

NOTE: The President spoke at 10:34 a.m. in Room 450 of the Old Executive Office Building. H.R. 2343, approved July 1, was assigned Public Law No. 103-45.

Exchange With Reporters Prior to a Meeting With Secretary of Agriculture Mike Espy

July 1, 1993

Flooding in the Midwest

Q. What are you going to do to help the people on the river, sir?

The President. That's what Secretary Espy and I were just talking about. We don't have enough money in the discretionary emergency fund to meet the rather massive losses that a lot of these farmers are facing. And so I expect he will come to me with some legislation in the fairly near future when we have a sense of what the total dimension of the loss was in the corn crop, the soybean crop, and what the other problems are. And he is just briefing me now on what he's seen and where we are. It's a very, very serious thing for the farmers, though. It's the most rain they've had in over 100 years. Right?

Q. Have any idea what the loss would be, I mean, in money?

The President. Well, he's going to brief me as soon as he knows. I think we'll have to watch it. The corn crop is very stunted because of the rain, and this is soybean planting time and coming to the end of it. So there's not a dramatic turnaround in conditions. You saw them drain off the water during—[inaudible]—the soybean crop on a lot of that land.

Q. So would there be a disaster declaration, sir, at some point?

The President. We're going to work out exactly what we have to do. It appears that in order to deal with the losses, we'll have to go back to the Congress. I do not believe there are sufficient funds in the discretionary emergency accounts that I have to deal with it. So I think that we'll be going back. And as the Secretary puts together the package, then obviously he'll share it with you as soon as we know.

NOTE: The exchange began at approximately 11 a.m. in the Oval Office at the White House. A tape was not available for verification of the content of this exchange.

**Remarks at the Swearing-In of
National Drug Control Policy
Director Lee Brown**

July 1, 1993

The President. Thank you very much. Thank you. Please be seated, and welcome to the Rose Garden. I want to acknowledge the presence in our audience of Lee Brown's children; the Attorney General; the Secretary of Transportation; the Secretary of Agriculture; General Powell, the Chairman of the Joint Chiefs of Staff; numerous other distinguished Americans; and Members of Congress, including Senator Hatch, Senator Dodd, Senator Cohen, Senator Pressler, and Congressmen Rangel, Conyers, Gilman, and Congresswoman Waters. I may have left someone out, and Senator Kennedy just called to say he was on the way. I think that's all a great tribute to Lee Brown.

We are here today to install a uniquely qualified person to lead our Nation's effort in the fight against illegal drugs and what they do to our children, to our streets, and to our communities, and to do it for the first time from a position sitting in the President's Cabinet. When I named Lee Brown to head the Office of National Drug Control Policy, many called that an inspired choice. I would say that is an accurate characterization because Lee Brown brings three decades of experience in highest law enforcement offices in some of the toughest cities in our country, New York and Houston and Atlanta. I know if Mayor Dinkins were here today he would want me to say a special word of thanks for the unique partnership they enjoyed in a safe streets program, which clearly lowered the crime rate in many neighborhoods and many categories of crime in New York City.

Lee Brown's leadership in the cause of keeping our communities and citizens safe is unsurpassed, and now he must bring those skills and all that experience to deal with the destructive lure of illegal drugs. We know that successful drug control does not take place in a vacuum. This is a many-headed

monster. Drugs violate our borders when smugglers bring them in as illegal cargo. Our jails are crowded, and our court system is overloaded with users and dealers. Crime and violence are brought to communities large and small, and random drive-by shootings and deliberate killings as well. Too many young Americans are robbed of their future and many, many of their very lives.

For all those reasons, fighting drugs requires a multifaceted offensive and the maximum use of the resources we have as a people. That's what we've been trying to do in this administration. With all the budget cuts and with a 5-year hard freeze on overall domestic spending, there's a 10 percent increase in the funds in our budget for demand reduction and a dramatic increase in the funds available for community policing, as well as a clear commitment to include drug treatment in the national health care program that our administration will be advancing in the near future.

But most important, we now will have an effort that is coordinated as one, pulled together and anchored by Lee Brown. No longer will the Office of the Director of Drug Policy operate separately from the rest of the Government, consigned just to being a bully pulpit. Now it will work hand-in-hand with the other Cabinet Agencies, and in doing so, our effectiveness will be increased.

Our aim is to cut off the demand for drugs at the knees through prevention. That means more and better education, more treatment, more rehabilitation. At the same time, we want to strangle supplies by putting more officers on the streets, by enforcing the law in our communities, at our Nation's borders, and by helping our friends and allies to do the same thing beyond our borders. We pledge to work with other nations who have shown the courage and the political will to take on their own drug traffickers who destabilize their own societies and their economies.

Our commitment to all these things is personified in Lee Brown. A tough guy might say he's a drug trafficker's nightmare, a cop with a doctorate or a doctor of criminology with a badge. But the most important thing

to me is he's got a track record of results. How many law enforcement officers in this country would be proud to look on the record he has amassed of actually reducing the rate of crime in the streets where he has worked.

You know, the insecurity most Americans feel, without regard to income or race, is a truly appalling thing. And anything we can do not only to give lives back to children who might otherwise become involved in drugs but to give the streets and the safety of the streets back to ordinary American families of all kinds is a service well done, and it might mean more to them than anything else this Government could produce during my tenure in office and for the foreseeable future. The work that Lee Brown did in pioneering community policing in Houston and New York is now legendary, with officers on foot patrol knowing their neighbors, working to prevent crime as well as to catch criminals.

This is a fight that surely can unite us all, across the boundaries of party and race and region and income. We are fighting for our families, our children, our communities, and our future. Each and every American, make no mistake about it, also bears a personal responsibility to play a role in this battle. Anyone who thinks that Lee Brown or anyone else can solve this problem for the American people, instead of with the American people, has another think coming. There are people in this audience today whom I know have worked for decades to try to help come to grips with this issue: parents educating their children; teachers working hard to prevent crime; law enforcement officers going into the schools, working in programs like the D.A.R.E. program; people who have worked in drug treatment and know as I do, from our own family's experience, that it works. All these things are an important part of what we have to do. Make no mistake about it: We've got to try to get the streets back for our kids, too. We ought to have a time in this country when children don't have to be afraid to go down to the neighborhood swimming pool in the summertime.

I am thankful that Lee Brown has taken on this challenge. He'd made the decision to do so at a time in his life when he might have reasonably been expected, for personal and professional reasons, to take a different

course. He could clearly be making more money doing something else; he could have far fewer headaches doing something else. He would not have all of us investing so much of our hopes in him if he were doing something else. The simple fact that at this point in his life he resolved to do this says a great deal about him and his character.

I would like now to ask Judge Richard Watson of the U.S. Court of International Trade to join his friend Dr. Brown up here to administer the oath of office, and I would like to invite—James Watson, I'm sorry—and I'd like to invite Dr. Brown's eldest daughter, Torri Clark, up here to hold the Bible for her father.

[At this point, Director Brown was sworn in, after which he thanked the President and explained his strategy to solve America's drug problem.]

The President. Do you have any questions for Dr. Brown?

Q. Mr. President——

The President. We'll take one or two. I just had another press conference.

Q. Do you think an energy tax and small business incentives——

Q. Boo-o-o!

Q. ——should be non-negotiable items of a budget package, which is equally important to the economy as drug control?

The President. Well, we're going to pass a good economic package. I feel confident about that. And we're now trying to work out the differences in the House and the Senate, and I'll have more to say about that in a few days.

NOTE: The President spoke at 11:20 a.m. in the Rose Garden at the White House.

Remarks and an Exchange With Reporters in the Oval Office

July 1, 1993

The President. Hello, everybody. Those of you who travel with me regularly will, I think, recognize the young man on my right, Mr. Doug Luffborough. He was the student speaker at Northeastern University in Boston the other day. This is his mother, whom I introduced from the audience; got a big

hand. He's here with President John Curry of Northeastern, and Senator John Kerry, his Senator. I invited him and his mother to come visit me in the Oval Office, so they didn't wait long to take me up on the invitation. [Laughter] I'm glad to see them here today.

You may remember also that he brought the house down. He not only gave a great speech, but he sang at the beginning of his speech. I thought to myself, if I could sing like that I wouldn't be giving speeches today. [Laughter]

Mr. Doug Luffborough. Well, it was a wonderful opportunity for me and a wonderful opportunity for my family and especially for my mother. I've been waiting for an opportunity like this, and I'm just really thrilled. And I'm really glad that Northeastern was the place you decided to come. It's been a pleasure and an honor to be here today. Thank you.

Q. Mr. President, what was it about Doug that impressed you so much?

The President. First of all, that he had come from such humble circumstances to go to college and to stay in college and that he had made the most of it. He obviously never felt sorry for himself. He obviously had a mother who helped him to believe in himself, as many others do. And the fact that his fellow students picked him to be the spokesperson for their class showed that they identified with the values and the inner strength and drive that took him to the success that he enjoys. I was very impressed. And I just thought it would be neat if they could come down here and see me.

International Loans to Vietnam

Q. Sir, what signal do you hope to send by lifting U.S. opposition to international loans to Vietnam?

The President. I haven't made an announcement on that. When I do, I'll be glad to discuss it.

Iraq

Q. Mr. President, Tariq Aziz seems this afternoon to be holding out some type of an olive branch, saying that Iraq will not avenge the attack the other day and also that he hopes for better relations with your administration. What response do you have, if any?

The President. I don't know. I need to be briefed on what he said. But of course, they shouldn't act in revenge. We have evidence that what was done was wrong, and the United States had to respond.

NOTE: The President spoke at 5:03 p.m. in the Oval Office at the White House. A tape was not available for verification of the content of this exchange.

Proclamation 6576—National Youth Sports Program Day, 1993

July 1, 1993

*By the President of the United States
of America*

A Proclamation

The National Youth Sports Program (NYSP) provides economically disadvantaged children between the ages of 10 through 16 opportunities to earn and learn self-respect through a comprehensive sports and educational instruction program. Today, in its 25th year, the NYSP serves more than 69,000 young people at 173 colleges and universities in 44 States and the District of Columbia.

The children who participate in the program receive supervised training in sport competitions, personal health care, proper nutrition, and free medical and follow-up examinations. They obtain information on drug and alcohol abuse and are taught about good study habits. Career and educational opportunities in math and science are also offered. In addition to the benefits provided to the children, the NYSP enables staff at the participating institutions to become involved in their communities and in providing solutions to community problems.

For more than 25 years, the NYSP has worked to develop effective partnerships with several Federal agencies and departments and with the Nation's colleges and universities acting through the National Collegiate Athletic Association. These unique partnerships have allowed Federal funds to be used to provide direct services for youth, have enabled institutions to contribute their facilities and personnel, and have permitted public and private businesses to donate equipment and supplies needed for the chil-

dren to participate in the program during the summer.

By utilizing competitive sports as a means of expression, it has allowed these children to express their pain and deal with their difficult living conditions in a positive way, rather than in a self-destructive manner. For many of these children, a sense of accomplishment and empowerment has taken the place of despair. I urge all Americans to join me on this special day to celebrate the significant gains that NYSP's 25 years of service has provided to these children.

The Congress, by Senate Joint Resolution 88, has designated July 1, 1993, as "National Youth Sports Program Day" and has requested the President to issue a proclamation in observance of this day.

Now, Therefore, I, William J. Clinton, President of the United States of America, do hereby proclaim July 1, 1993, as National Youth Sports Program Day. I call upon all Americans to observe this day by demonstrating their respect for all those individuals who participate so successfully in these programs and by showing gratitude for those who unselfishly share their experiences, skills, and talents with the disadvantaged youths who participate in NYSP activities across the country.

In Witness Whereof, I have hereunto set my hand this first day of July, in the year of our Lord nineteen hundred and ninety-three, and of the Independence of the United States of America the two hundred and seventeenth.

William J. Clinton

[Filed with the Office of the Federal Register, 3:21 p.m., July 1, 1993]

NOTE: This proclamation will be published in the *Federal Register* on July 6.

Letter to Congressional Leaders on Somalia

July 1, 1993

Dear Mr. Speaker: (Dear Mr. President:)

In my letter to you of June 10, 1993, regarding the deployment of U.S. Armed Forces to Somalia, I reported on the deplorable June 5 attacks on United Nations Oper-

ation in Somalia forces (UNOSOM II) instigated by one of Somalia's factional leaders. I also reported to you that on June 6, 1993, the U.N. Security Council adopted Resolution 837, which strongly condemned the unprovoked June 5 attacks that left 23 Pakistani peacekeepers dead. In addition, the Security Council reemphasized the crucial importance of the disarmament of all Somali parties, and reaffirmed the Secretary General's authority under Chapter VII of the U.N. Charter "to take all necessary measures against those responsible for the armed attacks [of June 5], including against those responsible for publicly inciting such attacks, to establish the effective authority of UNOSOM II throughout Somalia, including to secure the investigation of their actions and their arrest and detention for prosecution, trial and punishment."

Since that time, the United Nations has acted resolutely to restore order in Mogadishu and to protect U.N. forces. These actions have ensured that the world community's crucial humanitarian efforts in Somalia and the national reconciliation process in that country will continue to move forward. In view of these developments (in particular the role of U.S. Armed Forces in the recent U.N.-led activities in Somalia), and because of my desire that the Congress be kept fully informed regarding significant deployments of U.S. Armed Forces, I am providing this supplement to my earlier report.

In planning appropriate measures to respond to the violence and to implement the Security Council's mandate, the United Nations was able to draw upon the superb capabilities of the U.S. Armed Forces that remained in Somalia following the transition to UNOSOM II. In addition to the logistics and other support personnel assigned to UNOSOM II, the Quick Reaction Forces (QRF)—under U.S. operational control—was available to assist UNOSOM II during emergencies. At the height of the U.S.-led Unified Task Force (UNITAF) operations, just over 25,000 U.S. Armed Forces personnel were deployed to Somalia. Consistent with U.S. policy objectives, the current smaller U.S. contribution of approximately 4,400 personnel reflects the increased participation by other U.N. Member States.

United States Armed Forces played an extremely important role in the successful efforts of UNOSOM II to restore stability to the area and to enable U.N. humanitarian operations in Somalia to proceed. First, after determining that the leadership of one of Somalia's factions had planned and incited the June 5 attacks on U.N. peacekeepers, UNOSOM II initiated air and ground military operations in the early morning hours of June 12. Primary targets included weapons and ordnance caches and a radio facility that had been used to foment violence towards U.N. forces and opposition to implementation of the Security Council's humanitarian mandate in Somalia. United States fixed-wing and helicopter aircraft operating as part of the QRF, in support of UNOSOM II, destroyed or disabled those targets in a well-planned effort consistent with the Security Council's disarmament objectives and the mandate to restore security. United States forces sustained no casualties.

On June 17, the Special Representative of the Secretary General, acting pursuant to Security Council Resolution 837, ordered the arrest of General Mohammed Farah Aideed for alleged criminal acts against UNOSOM II peacekeeping forces on June 5. In addition, UNOSOM II forces conducted further coordinated ground and air operations designed to search, clear, and disarm the factional stronghold of General Aideed in south Mogadishu that posed a continuing threat to U.N. operations. Ground and aerial broadcasts warned civilians to leave the area. Targets included weapons and ammunition caches, command and control facilities, and defensive positions. Once again, the U.S. QRF, in support of UNOSOM II, conducted air attacks, followed by search and clearing operations on the ground by non-U.S. UNOSOM II military personnel. Only one U.S. military member sustained minor injury, although there were several deaths and a number of injuries among UNOSOM II forces from other nations due to resistance by militia units and sniper fire. Although Aideed has not yet been arrested, the June 17 operation accomplished the objective of securing Aideed's compound and neutralizing military capabilities that had posed a major obstacle to U.N. efforts to deliver hu-

manitarian relief, facilitate political reconciliation, and promote national reconstruction.

We now see renewed opportunity for UNOSOM II to move forward steadily towards fulfillment of the humanitarian mandate of the Security Council that is shared by the world community. By countering the lawless, unprovoked violence against U.N. peacekeepers, the United Nations has gone far towards preserving the credibility and security of peacekeeping forces in Somalia and throughout the world. United States forces remain on guard along with those of our U.N. partners to counter any threats to the important U.N. mission in Somalia, should they arise.

As before, I remain committed to ensuring that the Congress is kept fully informed on U.S. peacekeeping contributions and the use of U.S. Armed Forces for these vital purposes. I look forward to continuing discussions and close cooperation with you on these and related issues.

Sincerely,

William J. Clinton

NOTE: Identical letters were sent to Thomas S. Foley, Speaker of the House of Representatives, and Robert C. Byrd, President pro tempore of the Senate.

Statement on the Reduction of Interest Rates in Germany

July 1, 1993

Today's news that Germany has cut interest rates again is welcome news. With over 22 million people out of work in Europe, and our economy at last beginning to create jobs again, Germany's responsible fiscal and monetary actions could not have come at a more critical time for both Europe and the United States. It is also another sign that when America takes the lead in cutting its deficit and getting interest rates down we encourage other major nations to follow our lead in spurring global growth. By getting our house in order, we have facilitated pro-growth policies in Europe that mean more demand for American products overseas and more jobs

and higher incomes for the Americans who make those products here at home.

Germany has taken an important step toward improved growth, and I look forward to further progress at the G-7 summit in Tokyo.

NOTE: Background information on European interest rates was attached to the statement.

Nomination for Deputy Administrator of the Agency for International Development

July 1, 1993

The President announced today that he intends to nominate Carol Lancaster to be the Deputy Administrator of the Agency for International Development, U.S. International Development and Cooperation Agency.

"An expert in U.S. foreign aid policies, particularly with respect to Africa, Carol Lancaster will bring a great deal to the management of AID," said the President. "I am grateful for her service."

NOTE: A biography of the nominee was made available by the Office of the Press Secretary.

Nominations for Posts at the Department of the Navy

July 1, 1993

The President announced his choices for two top Navy posts today. He intends to nominate Frederick F.Y. Pang to be Assistant Secretary for Manpower and Reserve Affairs and Nora Slatkin to be Assistant Secretary for Acquisition.

"I am very glad to be adding these two people to my Navy team today," said the President. "They bring with them lifetimes of dedicated service to their country and years of experience in shaping policies to keep our military the best in the world."

NOTE: Biographies of the nominees were made available by the Office of the Press Secretary.

Nomination for an Assistant Secretary of Labor

July 1, 1993

The President announced his intention today to nominate Joseph Dear, formerly director of the State of Washington's Department of Labor and Industries, to be the Assistant Secretary of Labor for Occupational Safety and Health. In that role, he will serve as the Administrator of the Occupational Safety and Health Administration.

"With his experience running a major State agency regulating workplace safety and related matters, Joseph Dear is an outstanding choice for this important position," said the President. "During his tenure in Washington, he turned a deficit into a \$350 million surplus in the workers' compensation budget. He established a health care cost containment and quality assurance program and overhauled the workers' compensation system to save the taxpayers money while increasing benefits to workers. That is the kind of leadership I want to have at OSHA."

NOTE: A biography of the nominee was made available by the Office of the Press Secretary.

Nomination for Director and General Counsel of the Peace Corps

July 1, 1993

The President today announced his intention to nominate former Peace Corps volunteer Carol Bellamy, an attorney and former New York State Senator and president of the New York City Council, as Director of the Peace Corps. The President also approved attorney Brian Sexton as Peace Corps General Counsel.

"Throughout her career, Carol Bellamy has achieved success in both the corporate world and in her own initiatives to improve the lives of those less fortunate," the President said. "I am confident she will use her experience in both of those areas to fulfill the important mission of the Peace Corps."

NOTE: Biographies of the nominees were made available by the Office of the Press Secretary.

Statement by the Press Secretary on the Haiti Reconstruction and Reconciliation Fund

July 1, 1993

On June 25, 1993, the President signed Presidential Determination No. 93-28 on the Haiti Reconstruction and Reconciliation Fund. The determination, signed after careful consultation with the relevant committees of the Congress, waives legal restrictions on providing assistance to Haiti in order to provide up to about \$37.5 million from prior year Haiti foreign military financing and development assistance funds and from prior year Bolivia and Peru economic support and foreign military funds.

President Jean-Bertrand Aristide, who requested outside assistance, including for military professionalization, in a letter to the U.N. and OAS Secretaries-General, has indicated his agreement with these broad objectives.

This assistance package is designed to support negotiations to restore democracy to Haiti and the implementation of a phased political solution. Disbursement will be carefully timed to support the negotiations and respond to concrete progress toward restoring democracy. The Department of State is notifying the relevant committees of its intention to carry out the reprogrammings this Presidential determination authorizes and will consult further with the Congress on the military assistance component of this assistance package.

Our current aid program in Haiti of \$52 million consists solely of humanitarian assistance, feeding and health activities, funneled through nongovernmental organizations. The new assistance package would provide continued support for the U.N./OAS International Civilian Mission (\$10 million), which monitors human rights in Haiti; economic support and stabilization once the democratic government of President Aristide is restored (up to about \$12.7 million); the beginning of an administration of justice program to strengthen democratic institutions such as the Justice Ministry (\$3 million), and including the creation and training of a new civilian police force (\$4 million) as well as a modest, nonlethal military professionalization pro-

gram to reduce its size and train it to address the needs of Haiti's society and missions set forth in Haiti's Constitution, particularly civic action, engineering, disaster relief, and coastal patrol (about \$2.1 million).

Remarks Announcing the Defense Conversion Plan and an Exchange With Reporters

July 2, 1993

The President. Good morning. On Monday, I leave for Tokyo for the G-7 summit, where the world's leading economic powers will seek to build a new era of global growth.

While international summits were once dominated by the drama of the cold war confrontation, today we compete in a quieter field, the world of global economic competition. Now that the cold war is over, we see the opportunity around the world and in this country to reduce defense spending rather dramatically and to devote our attention to rebuilding our country here at home. But we know now clearly, since defense has been coming down since 1987, that this is not an unmixed blessing in the short run for Americans here at home.

Among other things, reduced defense spending means reduced spending on defense contracts. And people, therefore, who work in defense plants are affected by it. And it is impossible to reduce the number of men and women in the armed services without an appropriate reduction in the base structure of the United States at home and abroad.

That is the difficult and painful, but important work the base closing commission has had to do. I have received their latest report, and I have decided to forward that report on to Congress. As I transmit that report to Congress, I am ordering an unprecedented Federal effort in the form of a new five-point program to ensure that when we close these bases we also open a new and brighter economic future for the affected workers and their communities. And this week my administration announced that we were going to shut down not only the bases implied in the base closing commission, but also some 90

bases overseas, to be fair and also because our interests are served by that.

These five points are as follows: First, we will provide an average grant of a million dollars to each community affected by a major base closing. Second, we will establish for the first time a single Federal coordinator for each community so that all the resources and opportunities that attend this reconstruction effort can be made available as quickly as possible. Third, we will establish a fast-track cleanup program for environmental problems. This has been an enormous problem in the past in trying to move bases to commercial uses. Fourth, we will establish a fast-track disposal of Federal property emphasizing those uses most likely to create new jobs for the communities affected by base closings. And finally, we will have a coordinated effort to pool all Federal resources giving all the affected communities easier access to Federal assistance. Compared to the past, we will respond more quickly, cut redtape more aggressively, and mobilize resources more assertively to help these communities so that when they lose their bases they do not lose their future.

In the past, base closings forced communities to cope with a jarring economic upheaval without tools or resources. Many bases were heavily polluted, the cleanup seemed to take forever. Redtape and bureaucracy frustrated local officials when they sought help. And people in the community saw an employer of thousands turn into a destroyer of economic security. For communities from coast to coast affected by base closings, the Federal Government will now work aggressively to help these patriotic citizens, cities, and towns prosper. We will help them to use their valuable assets as engines of economic growth.

This Governmentwide effort will cost over \$5 billion in the next 5 years. We will respond rapidly and spend money more wisely. Let me give you one vivid example of this new approach. Current law actually requires the Federal Government to charge communities full price for these closed bases if they are used for job creation and economic development. But the Government could give away a base for free for recreational uses. That gets it backwards. I believe if a community has

pulled together and produced a real plan for job creation and economic growth, the Federal Government must pitch in by giving that base to the community at a discount or, in some cases, even for free.

Today I am directing the Department of Defense and the National Economic Council to write a legislative proposal within 90 days allowing us to give job creation and economic development the highest priority in the disposition of these assets. This law will be a sizable commitment by the Federal Government. These bases are worth, in some instances, hundreds of millions of dollars. But it's the least we can do for the communities and the people who supported our troops.

To avoid bureaucratic confusion, one week from now we will appoint a team of transition coordinators, senior military personnel who will slash redtape and untangle bureaucracy to help these communities. Cleanup will proceed faster than before. We've increased the size of planning grants to help communities map out their future. And a creative worker training program will visit the bases within the next 2 weeks to let workers know of their opportunities.

Even with all these aggressive efforts the closing of a military base, as with any large employer, will inevitably be traumatic for the host community. And I cannot promise that every job will be saved. But this will be a great test for our Nation. Over the past 50 years these communities have literally hosted millions of American men and women in uniform who were defending our freedom. When we needed them, these cities and towns did their duty. When they need us today, we can do no less. And I am confident that we will be able to make dramatic progress.

I'd like now to introduce the Defense Secretary to make a couple of remarks. I see you raising your hands. We have four other Secretaries who have briefings to give, but after Secretary Aspin speaks, I will take a couple of questions on this subject. You'll have access to me I think later on other matters, but on this subject I will take a couple of questions. But I would like the Secretary of Defense to speak first.

[At this point, Secretary Les Aspin outlined the defense conversion program.]

The President. Let me make two other quick comments, and then I'll take a couple questions.

This is one program that I think will benefit from the fact that I was a Governor who managed a base closing from the other end before we went through this. I have had experience with every single problem that this five-point program seeks to address, working with a major base closing that occurred along the Mississippi River in a county that had double-digit employment at the time the base closing was announced. And I believe this is a very practical program that will have a huge practical difference in the lives of these communities, based on my personal experience on the receiving end of the base closing.

The second thing I want to say is, because I won't be here when they speak, is this group of Cabinet officers was here—we had a different group yesterday when we announced our program for the Pacific Northwest. It will make a big difference for people in these communities. Keep in mind a lot of these people have only dealt—the only thing they know about the Federal Government is the Defense Department and the bases. They have never dealt with the Labor Department, the EPA, HUD, Transportation, and Commerce. They don't understand how to deal with all these folks at once. And the fact that we're going to make it possible for them to access the resources of all these Departments at one time and through one person will be a huge boon. It's difficult enough for all of you to figure out your way through the maze of the Federal Government. For a lot of these folks it is an unending nightmare and a practical impossibility. So I did want to make those two points.

Yes, in the back. You had your hand up first. Go ahead.

Q. Mr. President, when you go to Asia, how do you plan to alleviate concerns that these closings might restrict the forward basing of air and sea forces?

The President. Well, I plan to make clear statements about our commitment to Asia and our involvement in Asia, in both Japan and Korea. And I think that we will clearly be able to do that, and it will be more explicit

when the Secretary of Defense finishes his review.

Q. Will you address the forward basing question, sir?

The President. Yes. Go ahead.

Q. Mr. President, if this is all new money, this \$5 billion, and not reprogrammed money, how do you expect to get it from Congress in this budget climate? Your stimulus package got killed. Everything else has been watered down. There isn't money available.

The President. First of all, I think events will prove that I was right to ask for the jobs package.

Q. Such as today's unemployment numbers?

The President. We can't discuss that yet. It's not 9:30 a.m. [*Laughter*] But that's not the point. You can't tell anything from the month's figures anyway. This thing is moving forward in fits and starts, and we're doing a pretty good job of creating jobs, the American economy is now. But the global economy dictates a more aggressive response at this moment from America.

But the reason I think that this will work is I think, first of all, it's a 5-year program. Secondly, keep in mind, we had allocated in the budget, as you remember when we went to the Westinghouse plant, some \$20 billion over 5 years that could be used for the total aggregate amount of defense conversion. And some of that money was counted in this. But we allocated another \$2 billion to environmental cleanup because that's a huge deal. We can move these bases in a hurry if we can figure out who's responsible for the environmental cleanup and then get about doing it. So, the details can be answered.

I believe the Congress will support this, because I think there's enormous bipartisan understanding that you simply cannot take this away from communities without reinvesting something in them. And if it is a net savings to the Government over the long run, we have to invest something back to justify the cut.

Q. How much will you take?

The President. Secretary Aspin knows the number.

Q. Military downsizing in general is getting the blame for the higher unemployment figures which were released an hour ago. Do you worry that you're losing the battle on a broader scale on trying to create jobs?

The President. Well, I think that—let me repeat, there are two things at work here. In any given month, military downsizing—and keep in mind, these decisions we're announcing today will have an impact on the economy a year and a half, 2 years from now, some of them even longer than that, some of them 3 years from now, the base closing commission's recommendations today. So we're giving some advance planning time on that. The military cutbacks that are manifesting themselves in this unemployment rate were based on decisions made a couple of years ago.

Again, I will say you've got two things at work there. Because of the size of the deficit, we are not reinvesting as much as I think we should be reinvesting to generate jobs here at home. But the larger problem is that two-thirds of our jobs in the last 5 years have been generated, or new jobs, have been generated through exports. And with Europe down and Japan down—we've got Europe with the lowest economic growth in 20 years and Japan with the lowest economic growth in longer than that, more than three decades. That's why I'm going to the G-7. Because if we don't find a way for all of us to do things together, it's going to be difficult to sustain jobs.

Now, notwithstanding, the country has produced a substantial number of new jobs in the first 5 months of this year. We're so far behind in coming out of the recession that it's going to be difficult to do unless we can have a global strategy of growth so we can start getting some jobs out of exports again.

Q. What is the economic impact of this overall base closing? You said that you can't guarantee that everybody will get a job. How may people do you—I mean, do you have any estimate of how many people are thrown out of work?

The President. Well, let me say this. What I can tell you based on my personal experience with this is that you've got a lot of very creative, innovative people out there in these

communities. And some of these bases have been rumored about now for a couple of years. So in a lot of these communities, as a practical matter, you've had the community leaders out there imagining the worst for a long time, thinking about what they might do, wondering about what they will have to do if something like this happens. I am confident, again based on my personal experience, if we correct the problems and create the opportunities that are embodied in this five-point program, you're going to see a lot of economic growth.

And let me say, the traditional economic analysis is that you can create the same number of jobs in the commercial domestic sector that we create in defense for roughly half the investment. So that if we can get a combination of public effort now and private investment later, we might wind up creating more jobs in some of these communities. Some of these communities, I think, you've got enormous resources out there in these bases, and they'll create more jobs. The only thing I want to say is I don't want to over-promise because I can't foresee the next 5 years with any kind of precision. I just know that this program is going to help these people a lot more than anything that's been done since we started defense downsizing.

Q. On the G-7, as you're about to head off—by the way that's a very nice tie. [*Laughter*] I wish the American public could see that tie. [*Laughter*]

The President. This was designed by a 12-year-old. It's a Save the Children tie.

Q. I remember when you spoke about Gene's ties.

Q. Do you want this one?

Q. No, I don't want it.

The President. If it weren't a gift, I would give it to you.

Trade With Japan

Q. Is there any prospect of an agreement with Japan on trade during this G-7 summit?

The President. I don't think I should raise any expectations of that just because it's difficult for us to predict now what will happen. I can tell you this: We're going to keep talking to them, and in the end we're going to get this worked out. I think that the changes now going on in Japan over the long run are

going to be good for the Japanese people and good for the American people. It may be painful for them now, but a democracy is an uneven and inexact process. I think that we are moving toward a greater integration of the global economy in ways that will be good for them and good for us. That's what I believe. But this is a transition period for them, and agreements are always more difficult than transition periods.

I'm sorry, I have to go. We have to finish this.

NOTE: The President spoke at 9:15 a.m. in the Briefing Room at the White House.

Proclamation 6577—Agreement on Trade Relations Between the United States of America and Romania
July 2, 1993

By the President of the United States of America

A Proclamation

1. By the authority vested in me as President by the Constitution and the laws of the United States of America, I, acting through duly empowered representatives, entered into negotiations with representatives of Romania to conclude an agreement on trade relations between the United States of America and Romania.

2. These negotiations were conducted in accordance with the requirements of the Trade Act of 1974, Public Law 93-618, as amended (19 U.S.C. 2101-2495) (the "Trade Act").

3. As a result of these negotiations, an "Agreement on Trade Relations Between the Government of the United States of America and the Government of Romania" ("Agreement"), including exchanges of letters which form an integral part of the Agreement, the foregoing in English and Romanian, was signed on April 3, 1992, by duly empowered representatives of the two Governments and is set forth as an annex to this proclamation.

4. This Agreement conforms to the requirements relating to bilateral commercial agreements set forth in section 405(b) of the Trade Act (19 U.S.C. 2435(b)).

5. Article XVI of the Agreement provides that the Agreement shall enter into force on the date of exchange of written notices of acceptance by the two Governments.

6. Section 405(c) of the Trade Act (19 U.S.C. 2435(c)) provides that a bilateral commercial agreement providing nondiscriminatory treatment to the products of a country heretofore denied such treatment, and a proclamation implementing such agreement, shall take effect only if approved by the Congress under the provisions of that Act.

7. Section 604 of the Trade Act (19 U.S.C. 2483) authorizes the President to embody in the Harmonized Tariff Schedule of the United States the substance of the provisions of that Act, of other acts affecting import treatment, and actions taken thereunder.

Now, Therefore, I, William J. Clinton, President of the United States of America, acting under the authority vested in me by the Constitution and the laws of the United States, including but not limited to sections 404, 405, and 604 of the Trade Act (19 U.S.C. 2434, 2435, and 2483), do proclaim that:

(1) This proclamation shall become effective, said Agreement shall enter into force, and nondiscriminatory treatment shall be extended to the products of Romania, in accordance with the terms of said Agreement, on the date of exchange of written notices of acceptance in accordance with Article XVI of said Agreement. The United States Trade Representative shall publish notice of the effective date in the *Federal Register*.

(2) Effective with respect to articles entered, or withdrawn from warehouse for consumption, into the customs territory of the United States on or after the date provided in paragraph (1) of this proclamation, general note 3(b) of the Harmonized Tariff Schedule of the United States, enumerating those countries whose products are subject to duty at the rates set forth in rate of duty column 2 of the tariff schedule, is modified by striking out "Romania".

In Witness Whereof, I have hereunto set my hand this second day of July, in the year of our Lord nineteen hundred and ninety-three, and of the Independence of the Unit-

ed States of America the two hundred and seventeenth.

William J. Clinton

[Filed with the Office of the Federal Register, 4:26 p.m., July 2, 1993]

NOTE: This proclamation and the attached agreement will be published in the *Federal Register* on July 7.

**Letter to Congressional Leaders
Transmitting the Proclamation on
the Trade Agreement With Romania
July 2, 1993**

Dear Mr. Speaker: (Dear Mr. President:)

In accordance with section 407 of the Trade Act of 1974 (Public Law 93-618, January 3, 1975; 88 Stat. 1978), as amended (the "Trade Act"), I am transmitting a copy of a proclamation that extends nondiscriminatory treatment to the products of Romania. I also enclose the text of the "Agreement on Trade Relations Between the Government of the United States of America and the Government of Romania," including exchanges of letters that form an integral part of the Agreement, which was signed on April 3, 1992, and which is included as an annex to the proclamation.

The Agreement will provide a nondiscriminatory framework for our bilateral trade relations and thus strengthen both economic and political relations between the United States and Romania. Conclusion of this Agreement is an important step we can take to provide greater economic benefits to both countries. It will also give further impetus to the progress we have made in our overall diplomatic relations since last year and help to reinforce political and economic reform in Romania. In that context, the United States is encouraging Romania to continue to strive for a democratic, pluralistic society, particularly through the conduct of early, free, and fair national elections.

I believe that the Agreement is consistent with both the letter and the spirit of the Trade Act. It provides for mutual extension

of nondiscriminatory tariff treatment while seeking to ensure overall reciprocity of economic benefits. It includes safeguard arrangements to ensure that our trade with Romania will grow without causing disruption to the U.S. market and consequent injury to domestic firms or loss of jobs for American workers.

The Agreement also confirms and expands for American businesses certain basic rights in conducting commercial transactions both within Romania and with Romanian nationals and business entities. Other provisions include those dealing with settlement of commercial disputes, financial transactions, and government commercial offices. Through this Agreement, Romania also undertakes obligations to modernize and upgrade very substantially its protection of intellectual property rights. Once fully implemented, the Romanian intellectual property regime will be on a par with that of our principal industrialized trading partners. This Agreement will not alter U.S. law or practice with respect to the protection of intellectual property.

On August 17, 1991, President Bush waived application of subsections (a) and (b) of section 402 of the Trade Act to Romania. He determined that this waiver will substantially promote the objectives of section 402, and, pursuant to section 402(c)(2) of the Trade Act, notified the Congress that he had received assurances that the emigration practices of Romania will henceforth lead substantially to achievement of those objectives.

I urge that the Congress act as soon as possible to approve the "Agreement on Trade Relations Between the Government of the United States of America and the Government of Romania" and the proclamation extending nondiscriminatory treatment to products of Romania by enactment of a joint resolution referred to in section 151 of the Trade Act.

Sincerely,

William J. Clinton

NOTE: Identical letters were sent to Thomas S. Foley, Speaker of the House of Representatives, and Albert Gore, Jr., President of the Senate.

Memorandum on Trade With Romania

July 2, 1993

Presidential Determination No. 93-30

Memorandum for the Secretary of State

Subject: Determination Under Section 405(a) of the Trade Act of 1974, as Amended—Romania

Pursuant to the authority vested in me under the Trade Act of 1974 (Public Law 93-618, January 3, 1975; 88 Stat. 1978), as amended (the "Trade Act"), I determine, pursuant to section 405(a) of the Trade Act (19 U.S.C. 2435(a)), that the "Agreement on Trade Relations between the Government of the United States of America and the Government of Romania" will promote the purposes of the Trade Act and is in the national interest.

You are authorized and directed to transmit copies of this determination to the appropriate Members of Congress and publish it in the *Federal Register*.

William J. Clinton

Digest of Other White House Announcements

The following list includes the President's public schedule and other items of general interest announced by the Office of the Press Secretary and not included elsewhere in this issue.

June 28

The President announced his intention to nominate Einar Dyhrkopp of Shawneetown, IL, to be a member of the U.S. Postal Service Board of Governors.

June 30

In the evening, the President, Hillary Clinton, and Chelsea Clinton attended a performance of "The Phantom of the Opera" at the John F. Kennedy Center for the Performing Arts.

July 1

In the afternoon, the President had lunch with the Vice President.

In the evening, the President and Hillary Clinton had dinner with Senate minority leader Bob Dole and Ambassador and Mrs. Robert Strauss.

July 2

The President announced his intention to nominate career Foreign Service officers Edward Perkins and Victor Tomseth to be Ambassador to Australia and Ambassador to Laos, respectively, and Toby Gati to be Assistant Secretary of State for Intelligence and Research. In addition, the President has accorded the personal rank of Ambassador to Robert Gosende in his capacity as Special Envoy for Somalia.

The President announced his approval of three Senior Executive Service appointments at the Department of Defense, naming V. Larry Lynn as Deputy Under Secretary for Advanced Technology; Maj. Gen. Frank Horton as Principal Deputy Assistant Secretary for Command, Control, Communications, and Intelligence; and Mari-Luci Jaramillo as Deputy Secretary for Inter-American Affairs.

Nominations Submitted to the Senate

The following list does not include promotions of members of the Uniformed Services, nominations to the Service Academies, or nominations of Foreign Service officers.

Submitted June 29

Loretta L. Dunn, of Kentucky, to be an Assistant Secretary of Commerce, vice Mary Jo Jacobi, resigned.

James Patrick Connelly, of Washington, to be United States Attorney for the Eastern District of Washington for the term of 4 years, vice William D. Hyslop, resigned.

John Thomas Schneider,
of North Dakota, to be United States Attorney for the District of North Dakota for the term of 4 years, vice Stephen D. Easton, resigned.

Alan H. Flanigan,
of Virginia, a career member of the Senior Foreign Service, class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of El Salvador.

Robert Gordon Houdek,
of Illinois, a career member of the Senior Foreign Service, class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Eritrea.

John T. Sprott,
of Virginia, a career member of the Senior Executive Service, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Swaziland.

Roland Karl Kuchel,
of Florida, a career member of the Senior Foreign Service, class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Zambia.

Richard Scott Carnell,
of Florida, to be an Assistant Secretary of the Treasury, vice John Cunningham Dugan, resigned.

Submitted June 30

David Russell Hinson,
of Illinois, to be Administrator of the Federal Aviation Administration, vice Thomas C. Richards, resigned.

Arthur Levitt, Jr.,
of New York, to be a member of the Securities and Exchange Commission for the term expiring June 5, 1998, vice Richard C. Breeden, resigned.

Ada E. Deer,
of Wisconsin, to be an Assistant Secretary of the Interior, vice Eddie F. Brown.

Submitted July 1

Janet Ann Napolitano,
of Arizona, to be United States Attorney for the District of Arizona for the term of 4 years, vice Linda A. Akers, resigned.

M. Joycelyn Elders,
of Arkansas, to be Medical Director in the Regular Corps of the Public Health Service, subject to qualifications therefor as provided by law and regulations, and to be Surgeon General of the Public Health Service, for a term of 4 years, vice Antonia Coello Novello.

Gordon J. Linton,
of Pennsylvania, to be Federal Transit Administrator, vice Brian W. Clymer, resigned.

Checklist of White House Press Releases

The following list contains releases of the Office of the Press Secretary that are neither printed as items nor covered by entries in the Digest of Other White House Announcements.

Released June 28

Transcript of a press briefing by Press Secretary Dee Dee Myers

Nominations of James P. Connelly to be U.S. Attorney for the Eastern District of Washington and of John Schneider to be U.S. Attorney for the District of North Dakota.

Released June 30

Transcript of a press briefing by Press Secretary Dee Dee Myers

Transcript of a press briefing by U.S. Trade Representative Mickey Kantor

Statement by U.S. Trade Representative Mickey Kantor

Released July 1

Transcript of remarks by the Vice President, Secretary of the Interior Bruce Babbitt, Secretary of Agriculture Mike Espy, Secretary of Labor Robert Reich, Secretary of Commerce Ron Brown, and EPA Administrator

Carol Browner in an announcement of the Forest Conservation Plan

Transcript of a press briefing by Secretary of the Treasury Lloyd Bentsen

Transcript of a press briefing by Chief of Staff Thomas F. (Mack) McLarty on the management review of the White House Travel Office

**Acts Approved
by the President**

Approved June 28

H.R. 890 / Public Law 103-44
To amend the Federal Deposit Insurance Act to improve the procedures for treating unclaimed insured deposits, and for other purposes

Approved July 1

H.R. 2343 / Public Law 103-45
Forest Resources Conservation and Shortage Relief Amendments Act of 1993

S. 80 / Public Law 103-46
Big Thicket National Preserve Addition Act of 1993

S.J. Res. 88 / Public Law 103-47
To designate July 1, 1993, as "National NYSP Day"

Approved July 2

H.R. 765 / Public Law 103-48
To resolve the status of certain lands relinquished to the United States under the Act of June 4, 1897 (30 Stat. 11, 36), and for other purposes

H.R. 1876 / Public Law 103-49
To provide authority for the President to enter into trade agreements to conclude the Uruguay Round of multilateral trade negotiations under the auspices of the General Agreement on Tariffs and Trade, to extend tariff proclamation authority to carry out such agreements, and to apply congressional "fast track" procedures to a bill implementing such agreements

H.R. 2118 / Public Law 103-50
Supplemental Appropriations Act of 1993